875. A letter from the Chairman, Public Utilities Commission, of the District of Columbia, transmitting the Thirty-sixth Annual Report of the Public Utilities Commission of the District of Columbia for the year ended December 31, 1948; to the Committee on the District of Columbia.

876. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 627. An act for the relief of Leon Moore; with an amendment (Rept. No. 1283). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1565. An act for the relief of Dr. Ludovit Ruhmann, without amendment (Rept. No. 1284). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5354. A bill for the relief of Itzchak Shafer; without amendment (Rept. No. 1285). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 6006. A bill for the relief of Anthony Charles Bartley; without amendment (Rept. No. 1286). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judi- No. 1287). Referred to the Committee of Herminia Ricart; without amendment (Rept. No. 1287). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 6055. A bill providing for the continuance of compensation or pension payments and a subsistence allowance for certain children of deceased veterans of World War I or II during education or training; to the Committee on Veterans' Affairs.

H. R. 6056. A bill to provide free-mailing privileges for patients in or at veterans' hospitals; to the Committee on Post Office and Civil Service.

By Mr. CLEMENTE:

H. R. 6057. A bill to provide for the construction of a Veterans' Administration hospital in Queens County, N. Y.; to the Committee on Veterans' Affairs.

By Mr. DOYLE:

H. R. 6058. A bill to facilitate standardization and uniformity of procedure relating to determination and priority of combat connection of disabilities, injuries, or diseases alleged to have been incurred in, or aggravated by combat service in a war, campaign, or expedition; to the Committee on Veterans' Affairs.

By Mr. KELLEY:

H. R. 6059. A bill to provide for the demonstration of public library service in areas without such service or with inadequate library facilities; to the Committee on Education and Labor.

By Mr. LIND:

H. R. 6060. A bill to amend section 3797 (a) (2) of the Internal Revenue Code, relating to the definition of the term "partner"; to the Committee on Ways and Means.

By Mr. BLAND:

H. R. 6061. A bill to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; to the Committee on Merchant Marine and Fisheries.

By Mr. WIGGLESWORTH:

H. R. 6062. A bill to encourage the sharing with employees of corporate profits by allowing a corporation to deduct, for income-tax purposes, 150 percent of amounts paid to employees as a share of profits; to the Committee on Ways and Means.

By Mr. PETERSON:

H. R. 6063. A bill to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges; to the Committee on Public Lands.

H. R. 6064. A bill providing for a study by the Bureau of Standards of the relative merits of natural and synthetic sponges; to the Committee on Interstate and Foreign Commerce.

By Mr. HALE:

H. J. Res. 345. Joint resolution to establish a National Children's Day; to the Committee on the Judiciary.

By Mr. DOUGHTON:

H. Con. Res. 126. Concurrent resolution authorizing the Committee on Ways and Means to have printed additional copies of parts 1 and 2 of the Social Security Act Amendments of 1949 hearings; to the Committee on House Administration.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. BRAMBLETT:

H. R. 6065. A bill for the relief of Jose Simion Sanchez-Bonilla; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 6066. A bill for the relief of Cheng Sick Yuen; to the Committee on the Judiciary.

By Mr. HUBER:

H. R. 6067. A bill for the relief of George Cracium; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6068. A bill for the relief of Tadeusz Franchak; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 6069. A bill for the relief of Brother John Muniak; to the Committee on the Judiciary.

# SENATE

## MONDAY, AUGUST 22, 1949

*(Legislative day of Thursday, June 2, 1949)*

Rev. Robert N. DuBose, D. D., of the Association of American Colleges, Washington, D. C., offered the following prayer:

Almighty God, from Thee we have received this good land for our heritage. We now humbly beseech Thee that we may prove ourselves a nation of united people, mindful of Thy continued favor, a nation glad to do Thy will. Bless our country with honorable industry, sound learning, good government, and pure manners. Defend our liberties, we pray.

Grant us patience, candor, insight, loyalty, and courage, as we seek truth, unity, and stability in this hour of challenge and opportunity. May our lives be strengthened with the spirit of brotherhood. We pray. Amen.

### THE JOURNAL

On request of Mr. MCKELLAR, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 19, 1949, was dispensed with.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4330. An act to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project;

H. R. 6008. An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1647. An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes;

H. R. 781. An act to amend title II of the Civil Aeronautics Act of 1938, as amended:

H. R. 997. An act to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55;

H. R. 2859. An act to authorize the sale of public lands in Alaska;

H. R. 2877. An act to authorize the addition of certain lands to the Big Bend National Park, in the State of Texas, and for other purposes; and

H. R. 4498. An act to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes.

### LEAVE OF ABSENCE FOR SENATOR LODGE TO VISIT "UNIFORCE" HEADQUARTERS

Mr. VANDENBERG. Mr. President, I ask unanimous consent that the junior Senator from Massachusetts [Mr. LODGE] may be excused from attendance at sessions of the Senate so that he may visit the headquarters of the new combined European armed force, known as Uniforce, at Fontainebleau, France. The progress of this headquarters is essential to the whole concept of the common defense of the Atlantic community, and is therefore of vital moment to the security of the United States. It will be helpful to the Senate and to the Foreign Relations Committee to have a trained observer such as the junior Senator from Massachusetts visit this headquarters. I ask that this announcement stand until further notice.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. McKELLAR. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hill | Millikin |
| Baldwin | Holland | Morse |
| Bricker | Humphrey | Mundt |
| Bridges | Hunt | Murray |
| Byrd | Ives | Neely |
| Cain | Jenner | O'Mahoney |
| Chavez | Johnson, Colo. | Reed |
| Connally | Johnson, Tex. | Robertson |
| Cordon | Johnston, S. C. | Russell |
| Donnell | Kefauver | Saltonstall |
| Douglas | Kem | Schoeppel |
| Dulles | Kerr | Smith, N. J. |
| Eastland | Knowland | Sparkman |
| Ecton | Langer | Stennis |
| Ellender | Lucas | Taylor |
| Ferguson | McCarthy | Thomas, Okla. |
| Flanders | McClellan | Thomas, Utah |
| Fulbright | McFarland | Tobey |
| George | McGrath | Tydings |
| Gillette | McKellar | Vandenberg |
| Graham | McMahon | Watkins |
| Green | Magnuson | Wherry |
| Gurney | Malone | Williams |
| Hayden | Martin | Withers |
| Hendrickson | Maybank | Young |
| Hickenlooper | Miller | |

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. HOEY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Maryland [Mr. O'CONOR] are necessarily absent.

The Senator from Louisiana [Mr. LONG] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Maine [Mrs. SMITH] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is absent on official business in the State of Wisconsin.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McKELLAR. Mr. President, I ask unanimous consent that Senators may introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

ARCHES NATIONAL MONUMENT—RESOLUTION OF MOAB (UTAH) LIONS CLUB

Mr. WATKINS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Moab (Utah) Lions Club, favoring adequate funds for construction of an entrance road into the Arches National Monument.

There being no objection, the resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Whereas the Arches National Monument, which is located near Moab, Utah, is rapidly attracting the attention of the general public as one of the outstanding scenic areas in the United States; and

Whereas evidence of its scenic attractions is reflected by the rapid increase of visitors into the monument during the past few years as shown by the following figures:

| | |
|---|---|
| 1944 | 948 visitors |
| 1945 | 606 visitors |
| 1946 | 1,271 visitors |
| 1947 | 3,080 visitors |
| 1948 | 6,807 visitors |
| 1949 | 11,335 visitors; and |

Whereas the present roads leading into the monument are inadequate to afford visitors an opportunity to enjoy the numerous scenic wonders within the monument; and

Whereas for nearly 10 years last past the National Park Service, recognizing the immense scenic resources within the Arches Monument, has had a complete survey made for roads and trail construction within the monument, but due to lack of funds the Park Service has been unable to proceed with this road construction; and

Whereas to partially open up the Arches attractions to the traveling public, Grand County and the State of Utah have expended considerable sums on road construction leading to and within the Arches, said sums approximating $25,000; but to date practically no Federal funds have been expended on Arches road construction, in spite of the fact that the Arches Monument is a Federal reserve and the responsibility for making these attractions accessible to the people of America is solely a Federal responsibility: Now, therefore, be it

*Resolved by the Moab Lions Club of Moab, Utah:*

1. That the Moab Lions Club request the Congress of the United States to appropriate adequate funds for the purpose of constructing an entrance road into the Arches National Monument, which road shall be for a distance of approximately 9 miles; and that the Congress of the United States provide such other funds as will make accessible and available to the public the great and unique scenic attractions within the monument which are not now accessible due to lack of proper roads and trails within the area.

2. That a copy of this resolution be mailed to each of the following: The Governor of the State of Utah; each of the United States Senators and Representatives from the State of Utah; the Director of the National Park Service; and the regional director of the Park Service of region 3.

HOLIDAY COMMEMORATING END OF WORLD WAR II—RESOLUTION OF LAFAYETTE COUNTY POST, NO. 55, MISSISSIPPI DEPARTMENT OF AMERICAN LEGION

Mr. STENNIS. Mr. President, the Lafayette County Post, No. 55, of the Mississippi Department of the American Legion, has adopted a resolution urging the Congress to declare September 2 a national holiday, commemorating the end of World War II. I ask that it be referred to the proper committee of the Senate for consideration, and printed in the RECORD at this point.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution that September 2 be declared a national holiday

Whereas on September 2, 1945, in Tokyo Bay, representatives of the Allied nations accepted the surrender of the Empire of Japan to end the most devastating war the world has ever witnessed; and

Whereas said surrender was wrought in a large measure by the valiant efforts of and at a great cost in time, money, and blood to the citizens of the United States of America; and

Whereas there is no national holiday commemorating this occasion which brought relief to millions of people the world over and the news of which was received with exaltation by both the fighting forces and the civilian populations of the United Nations: Now, therefore, be it

*Resolved*, That out of reverence for those Americans who made the supreme sacrifice in order that free men might live in free societies of their own choosing, the Lafayette County (Miss.) Post, No. 55, of the American Legion petitions the Honorable Harry S. Truman, the President of the United States, and the Members of the National Congress, that September 2 be hereafter set aside as a national holiday with all the ceremonies pertaining thereto.

LAFAYETTE COUNTY POST, No. 55,
By A. H. RUSSELL, *Commander.*
HARRY COLLINS, *Adjutant.*

Adopted and approved by the post, August 16, 1949.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

H. R. 1976. A bill to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.; with amendments (Rept. No. 945); and

H. R. 2170. A bill authorizing changes in the classification of Crow Indians; without amendment (Rept. No. 944).

By Mr. MALONE, from the Committee on Interior and Insular Affairs:

S. 17. A bill to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev.; with an amendment (Rept. No. 947).

By Mr. HAYDEN, from the Committee on Rules and Administration:

H. Con. Res. 103. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 102 to provide for the attendance of a joint committee to represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic; without amendment.

By Mr. TYDINGS, from the Committee on Armed Services:

S. 2269. A bill to provide for the enlistment of aliens in the Regular Army; without amendment (Rept. No. 946).

By Mr. HUMPHREY, from the Committee on Labor and Public Welfare:

S. 2317. A bill to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for school construction, for advance planning of school facilities, and for other purposes; with amendments (Rept. No. 948).

ISSUANCE OF PATENTS FOR CERTAIN LANDS TO CERTAIN SETTLERS, PYRAMID INDIAN RESERVATION, NEV.—REPORT OF A COMMITTEE

Mr. MALONE. Mr. President, from the Committee on Interior and Insular

Affairs, I report favorably, with an amendment, the bill (S. 17) to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev., and I submit a report (No. 947) thereon. Full hearings were held by a subcommittee on this proposed legislation which included the Senator from Arizona [Mr. MCFARLAND], chairman, the Senator from Oklahoma [Mr. KERR], and the junior Senator from Nevada. The subcommittee reported to the full committee, and the bill was considered by the full committee, which ordered it reported favorably and that the bill should be passed.

The question in this bill, which I am asking to have placed on the calendar seems to boil down to whether or not the right of the original white settlers on the Indian lands near Wadsworth, Nev., who settled on this land for the most part in the sixties, should be revived and the white settlers allowed to have another chance to purchase such lands. There is no question, according to the committee's conclusions, that the Congress of the United States did arrange, in the late twenties, to give the white settlers a chance to purchase these lands on the grounds that they were the undisputed first settlers on the lands in question and that they did improve the lands, ditched and put them in cultivation thinking they owned them, and that the Indians had never contributed anything to such improvements.

There is also no question that since the white settlers failed to purchase such lands in accordance with the congressional act for whatever reason, either because money was not available during the depression or for other reasons that the land now belongs to the Indians in accordance with a Supreme Court decision.

There is, of course, no question at this time in the minds of the members of the committee that the Indians do own the lands by virtue of the default.

The question before the committee was this, whether or not another chance should be given the white settlers to make the purchase—and the committee thought an additional limited time should be given them to make good on the purchase.

The Senate Committee on Indian Affairs heretofore considered similar bills, including S. 480, Seventy-fifth Congress; S. 92, Seventy-sixth Congress; S. 13, Seventy-seventh Congress; S. 24, Seventy-eighth Congress; and S. 30, Eightieth Congress, and in each instance the committees recommended passage of the legislation—and they were passed by the Senate—but never came to a vote in the House.

There was little or no opposition to the passage of this legislation, S. 30, in the Eightieth Congress; however, considerable interest was manifested in S. 17 during this session.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 22, 1949, he presented to the President of the United States the enrolled bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes.

### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2461. A bill for the relief of Shaffor Ali; and

S. 2462. A bill for the relief of Ruzina Skalova; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 2463. A bill for the relief of Herminia Ricart; to the Committee on the Judiciary.

By Mr. HENDRICKSON:

S. 2464. A bill for the relief of Pietro Meduri; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2465. A bill for the relief of W. E. Hicks; to the Committee on the Judiciary.

By Mr. TYDINGS (for himself and Mr. O'CONOR):

S. 2466. A bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; to the Committee on Public Works.

By Mr. JOHNSON of Colorado:

S. 2467. A bill to permit disabled veterans to use national forest land for living and recreational purposes without charge; to the Committee on Agriculture and Forestry.

By Mr. LANGER:

S. 2468. A bill for the relief of Maswood Bakht (also known as Chowdury); to the Committee on the Judiciary.

By Mr. MCKELLAR (for himself and Mr. MARTIN):

S. J. Res. 129. Joint resolution to authorize the Commission on Renovation of the Executive Mansion to preserve or dispose of material removed from the Executive Mansion during the period of renovation; to the Committee on Public Works.

### INVESTIGATION OF INFESTATIONS BY EUROPEAN CORN BORER

Mr. HICKENLOOPER (for himself and Mr. THYE) submitted the following resolution (S. Res. 158), which was referred to the Committee on Agriculture and Forestry:

*Resolved*, That a subcommittee of the Committee on Agriculture and Forestry, to be composed of five members of such committee appointed by the chairman thereof, is authorized and directed to make a full and complete study and investigation of current infestations by the European corn borer. Such investigation shall be conducted in affected areas and at such other places as the subcommittee sees fit. The subcommittee shall report to the Committee on Agriculture and Forestry, and the Committee on Agriculture and Forestry shall report to the Senate, the results of such study and investigation, together with their respective recommendations, at the earliest practicable date.

SEC. 2. For the purposes of this resolution, the subcommittee is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the subcommittee, which shall not exceed $10,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the subcommittee.

### PAY OF CLERICAL ASSISTANTS OF SENATOR MCGRATH

Mr. GREEN submitted the following resolution (S. Res. 159), which was referred to the Committee on Rules and Administration:

*Resolved*, That the clerical assistants in the office of Senator J. HOWARD MCGRATH, appointed by him and carried on the pay roll of the Senate when his resignation from the Senate takes effect, shall be continued on such pay roll at their respective salaries for a period not to exceed 15 days, to be paid from the contingent fund of the Senate.

### AMENDMENT OF SECTION 3121 OF INTERNAL REVENUE CODE—AMENDMENT

Mr. BALDWIN submitted an amendment intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

### INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. KERR submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

### NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. MCCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 91, after line 12, insert a new section under title VII, as follows:

"SEC. 703. (A) With a view to bringing the estimated Federal expenditures within estimated Federal receipts for the fiscal year ending June 30, 1950, (a) the President is authorized and directed to make such reductions in the amounts to be expended by all agencies from any and all appropriations and funds made available prior to the expiration of the first regular session of the Eighty-first Congress, for expenditure in such fiscal year, as will in the aggregate equal not less than 5 percent nor more than 10 percent of the total amounts estimated for expenditure in the budget for the fiscal year 1950 by all agencies, as adjusted to conform with the total amounts estimated for expenditure under appropriations and funds actually made available prior to the expiration of such session: *Provided*, That any reduction in amounts estimated for expenditure brought about as a result of reductions made by Congress in the aggregate appropriations and funds made available to any agency below the aggregate of estimates submitted in said budget (including amendments thereto) for such agency, shall be used for the purpose of computing (1) the aggregate reduction required to be made under this section, and (2) the over-all limitation specified in section (D) with respect to such agency; and in carrying out this section the President is requested to give appropriate consideration to reductions made by Congress in the appropriations and funds made available to any agency.

"(b) As used in this section—

"(1) the term 'appropriations and funds made available' shall include the amount of any borrowing authority estimated for in the Budget for the fiscal year 1950; and

"(2) the term 'agency' means any Executive department, independent establishment, or corporation which is an instrumentality of the United States.

"(B) In order to accomplish the reductions in expenditures required by section (A), the President is authorized to direct any officer in the executive branch of the Government to refrain from creating, notwithstanding any other provision of law, any obligation or commitment which would require an expenditure during the fiscal year 1950, under any appropriation, fund, contract authorization, or borrowing authority over which such officer exercises administrative control, in such amounts as he may deem necessary. No such officer shall create any obligation or commitment under any borrowing authority which would require an expenditure during the fiscal year 1950 in excess of any estimate included in the budget (or in excess of any estimate under any authority included in any act of Congress enacted after the submission of the budget for the fiscal year 1950) with respect to such obligation or commitment for such fiscal year or in excess of any amount established by direction of the President under the authority contained in this section; except that the President is authorized to waive the prohibition contained in this sentence in individual cases upon the happening of some extraordinary emergency or unusual circumstance.

"(C) Such reductions shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficient operation of the Government.

"(D) No reduction of expenditures required herein shall have the effect of reducing by more than 20 percent the estimated expenditures by any agency from appropriations and funds made available prior to the expiration of the first regular session of the Eighty-first Congress.

"(E) The President shall cause (a) the total amounts estimated for expenditure in the fiscal year 1950 (adjusted as provided in section (A)), (b) the amount of the reduction directed by him in obligations or commitments (as provided in section (B)), and (c) the amount of the reduction in each appropriation or fund account, to be certified to the Secretary of the Treasury, and shall make a detailed quarterly report thereon to the Congress within 15 days after the expiration of each calendar quarter during such fiscal year. The amounts so certified shall not be expended, or, in the case of contract authorizations and borrowing authority, the authority shall not be exercised to the extent of the reduction. The President shall also include in the quarterly report to Congress the actual figures showing the number of Federal employees at the beginning of a quarter and the estimated number of Federal employees at the close of the quarter."

Mr. McCLELLAN also submitted an amendment intended to be proposed by him to House bill 4146, making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

## HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H. R. 4330. An act to authorize the appropriation of funds for construction and acquisition of school facilities at Parker Dam power project; to the Committee on Interior and Insular Affairs.

H. R. 6008. An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; to the Committee on Appropriations.

H. J. Res. 338. Joint resolution to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Logan International Airport at Boston, Mass., during the fiscal year 1950; to the Committee on Interstate and Foreign Commerce.

## WE CAN'T THRIVE ON SECURITY—ARTICLE BY SENATOR WHERRY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "We Can't Thrive on Security," written by him and published in the June 1949 issue of the American mazagine, which appears in the Appendix.]

## PRINCIPAL INGREDIENTS OF A SUCCESSFUL DEMOCRATIC GOVERNMENT—INTERVIEW WITH SENATOR McCLELLAN

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an interview with Senator McCLELLAN over radio station WWDC, of Washington, on August 21, 1949, which appears in the Appendix.]

## MEMORANDUM ON THE WHITE PAPER ON UNITED STATES RELATIONS WITH CHINA

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a memorandum, prepared by him, Mr. McCARRAN, Mr. WHERRY, Mr. KNOWLAND on the white paper on United States Relations with China, which appears in the Appendix.]

## THE VETERANS' BONUS—LETTER FROM SENATOR MARTIN TO COL. PHILIP MATTHEWS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a letter dated August 18, 1949, addressed by him to Col. Philip Matthews, Democratic State chairman, at Harrisburg, Pa., which appears in the Appendix.]

## ADDRESS BY LAWRENCE HUNT AT CONVOCATION, BISHOP'S UNIVERSITY, LENNOXVILLE, QUEBEC

[Mr. IVES asked and obtained leave to have printed in the RECORD an address delivered by Lawrence Hunt, of New York City, at the Convocation, Bishop's University, Lennoxville, Quebec, on June 17, 1949, which appears in the Appendix.]

## CEREMONY INCIDENT TO TRANSFER OF LAND BY CONNECTICUT TO OHIO

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD a letter from Russell E. Sullivan, department commander of the Disabled American Veterans, together with a newspaper clipping from the New Haven Register, giving the details of a ceremony in Columbus, Ohio, which appear in the Appendix.]

## COMMENTS OF SUNDRY GOVERNMENT AGENCIES ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me, covering comments on the recommendations of the Hoover Commission by the Office of the Housing Expediter, the Railroad Retirement Board, the Federal Reserve System, the Smithsonian Institution, the Displaced Persons Commission, and the Tax Court of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today the last of a series of reports from the various Federal departments and establishments received in response to requests from the committee for comments relative to the effect the recommendations of the Hoover Commission would have upon the operations of such agencies.

This is the thirty-ninth such release issued by the committee, covering 49 agencies within the executive branch of the Government, excepting only the General Services Administration. Due to the fact that the GSA was created on June 30, 1949, in accordance with the Hoover Commission's recommendations in its report on the office of General Services, and is still in process of organization, it was not requested to submit a report.

The chairman announced that two additional releases would follow, one to cover certain points omitted from the original report from the Bureau of the Budget, and which will also include a letter from the Bureau clarifying its position relative to the views submitted to the committee by the executive departments and agencies. A final release will give a brief summation of the various releases, with a table setting forth the dates released and the page on which the reports appear in the CONGRESSIONAL RECORD.

Comments received from the Office of the Housing Expediter, Railroad Retirement Board, Board of Governors of the Federal Reserve System, Smithsonian Institution, Displaced Persons Commission, and the Tax Court of the United States, are briefly condensed, as follows:

OFFICE OF THE HOUSING EXPEDITER

Mr. Tighe E. Woods, Housing Expediter, referring to the recommendation of the Hoover Commission for the inclusion of the Office of the Housing Expediter in the Housing and Home Finance Agency, states that "I feel that the inclusion in accordance with the plan of the Commission would be an improvement." He concludes his comments, as follows:

"The principal function of the Office of the Housing Expediter is to administer rent control, but it is my firm opinion that everyone wants to eliminate rent control as soon as possible, and the quickest way to do so is to coordinate all of the housing efforts of the Government toward the goal of easing the demand for housing which will then make possible the orderly end of rent control."

Mr. Woods makes only one further pertinent comment relative to the Commission's recommendations, stating that "There is a rather general feeling in this organization that recommendations made concerning the Civil Service Commission should be put into effect, as it is felt that the Civil Service Commission needs a thorough overhauling to enable it to cope with the problems of today in an effective manner."

RAILROAD RETIREMENT BOARD

Mr. William J. Kennedy, Chairman of the Railroad Retirement Board, strongly commends that position taken by the Hoover Commission in recommending that the Board retain its present status.

He also points out that the recommendations in the report on general management which have general application, makes exceptions as to executive direction and control of the functions of regulatory or quasi-judicial agencies, and contends that the Railroad Retirement Act of 1937, defining the duties of the Board, "provides that the Board shall determine whether or not applicants are entitled to benefits under this act and that its decisions upon issues of law and fact relating to pensions, annuities, or death benefits shall not be subject to review by another administrative or accounting officer of the United States." Mr. Kennedy, therefore, concludes that "It would seem that Congress through the enactment of those acts (Railroad Unemployment Insurance Act) conferred upon the Board functions that are both quasi-judicial and quasi-legislative in nature, and that in the performance of such functions the Board would be excluded."

The Board is otherwise in general accord with recommendations of the Commission as regards general administration and management, budgeting and accounting, and makes certain comments relative to the report on the Office of General Services, which have been adequately covered in the Federal Property and Administrative Service Act (Public Law 152).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. S. R. Carpenter, Secretary of the Board, comments that "The Board has difficulty in furnishing the comment which your committee desires, partly because the Commission makes relatively few specific recommendations with respect to the Federal Reserve System and partly because important recommendations made by the task forces are at variance with each other or with recommendations of the Commission itself." He points up some of the conflicting recommendations as follows:

"For example, the task force report on regulatory commissions—the report which deals most comprehensively with the Federal Reserve System—contains recommendations, among others, to the general effect that all Federal bank supervisory activities, with the qualified exception of the Federal Deposit Insurance Corporation, be combined in one agency, preferably the Federal Reserve Board. On the other hand, the Commission's report on the Treasury Department recommends that supervision of the operations of the Federal Deposit Insurance Corporation, the Reconstruction Finance Corporation, and the Export-Import Bank be vested in the Secretary of the Treasury, to which recommendation, however, there are numerous dissents within the Commission. Furthermore, the task force report on lending agencies recommends that the Reconstruction Finance Corporation be discontinued and the Federal Reserve banks be authorized to guarantee loans, whereas the Commission itself in its report on Federal business enterprises states that it would be preferable that the Reconstruction Finance Corporation be reorganized to guarantee loans by commercial banks."

The Board also approves the proposal to establish a monetary commission to study what changes are necessary or desirable in the banking and monetary system of the United States, summing up its position as follows:

"We in the Federal Reserve System are naturally concerned over the areas of controversy that surround the System's functioning and responsibilities as a central banking, monetary, regulatory, and supervisory authority. We trust that Congress will review its delegation of authority and responsibility to the System to be sure that they are commensurate with each other and with the objectives established by Congress. Such a review would include consideration: (1) Of the System's open-market powers and their relation to Federal financing and the administration of the public debt; (2) of the use of selective credit controls such as those over security loans and consumer installment loans and of the proper sphere for the application of such types of control; (3) of the distribution of regulatory and supervisory power among the various Government agencies; (4) of the need for some mechanism of policy coordination on the domestic financial front, as we have available through the NAC on the international financial front; (5) of the objectives of central banking and supervisory policies; and (6) of the relation of the Federal Reserve System as a central banking organization to the banks of the Nation, both member and nonmember.

"The Board feels that such an over-all study by a national monetary commission would be the most desirable approach to the problem of changes in the basic law governing the Federal Reserve System."

SMITHSONIAN INSTITUTION

Mr. A. Wetmore, Secretary, protests the recommendation of the Hoover Commission, in its report on the Office of General Services, which provides that whenever the officials of the Smithsonian Institution need assistance from the Chief Executive or the departments, they should consult with the Director of the Office of General Services, stating that the Institution is unable to see how this proposed redelegation to a Federal office of the Smithsonian's century-old authority to consult with Government agencies can possibly effectuate any economy or efficiency in operation nor why such action is deemed necessary in the absence of any supporting evidence. It appears to us that establishment of any such procedure will in fact lessen efficiency.

Mr. Wetmore states that the Institution's demands on the President's time in the course of 100 years have been rare, and concludes:

"It appears to us, therefore, that existing cooperative and collaborative scientific programs now operating efficiently would be short-circuited should it be demanded that the Institution have its consultative relations with Federal agencies subjected to the preview of an Office of General Services which seemingly otherwise would have no connection with scientific research whatsoever. The intervention of a nonscientific third agency to coordinate the relations of the Smithsonian with other scientific agencies would be not only inefficient and uneconomical, but would impose a condition upon long-established, smooth-working relationships that would hinder these or even make them inoperative, and would seriously encroach upon the time-honored authority and powers of the Institution."

DISPLACED PERSONS COMMISSION

Commissioner Ugo Carusi, Chairman, in referring to the recommendation by the Hoover Commission in its concluding report, that the DPC report to the Secretary of State, comments that the Commission does not feel that it is in a position to approve or disapprove, but that:

"As concerns any reductions in personnel and in operating expenses resulting from such a reorganization, the Commission feels that any such reductions would be negligible inasmuch as the Department of State is now performing the great majority of our administrative and fiscal services for us as the result of an administrative agreement between the two agencies."

THE TAX COURT OF THE UNITED STATES

The presiding judge, Hon. John W. Kern, explains that there is no material in the reports of the Hoover Commission relating directly to the Tax Court, and that inasmuch as it has no administrative or executive functions, its experience gives it no basis for helpful comment on the problems covered in the reports.

COMMENTS OF BUREAU OF THE BUDGET ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me covering comments by the Bureau of the Budget on the recommendations of the Hoover Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Committee on Expenditures in the Executive Departments, released today two letters from Frederick J. Lawton, Assistant Director of the Bureau of the Budget, with reference to Hoover Commission reports. The first of these clarifies the administration's position relative to the comments of the various agencies as indicated in reports to the committee which have been published by the chairman in the CONGRESSIONAL RECORD. The second letter supplements earlier Bureau views on recommendations in the Hoover Commission report on budgeting and accounting.

The first letter of the Bureau explains that, because of wide discussion of the communications received by the committee from the Federal agencies, it is desirable from the administration's point of view, to have it clearly understood that these reports were submitted to the committee without clearance with the Bureau of the Budget "to avoid delay in complying with the committee's request, and at the committee's suggestion."

The Bureau further states that many of the issues raised in the Hoover Commission report are still under study, and that the committee's request for early expression of agency views on the Commission's recommendations did not permit of normal clearance procedure to determine their relationship to the President's program. The Bureau concludes that "until the President has taken a position with respect to these proposals no views expressed by agency heads can be said to reflect the viewpoint of the administration."

The second letter was submitted at the committee's specific request for the views of the Bureau on the two concluding recommendations (Nos. 12 and 13) relative to accounting and to fidelity insurance questions of the Hoover Commission report on budgeting and accounting. The initial committee request for Budget Bureau views brought forth reactions to only the first 11 recommendations of this report (see CONGRESSIONAL RECORD of July 7, 1949, pp. 9005–07).

With relation to recommendation 12, the Bureau's letter emphasizes that to achieve performance budgeting it is essential that there be in effect an accrual basis of accounting under which program performance is measured by the accrual of expenditures when goods and services are received. The Bureau states that details of this accrual approacl. are under joint study by representatives of the General Accounting Office, the Department of the Treasury, and the Bureau of the Budget. This long overdue reform is one of the important reasons for the present unintelligible budget document of immense size in which the limited, summary expenditure data at the front is supported by much unrelated obligation detail as required by congressional appropriations.

As to the next steps on performance budgeting, the Bureau indicates that the following progress will be made in the 1951 budget to be transmitted to the President next January at the opening of the second session of the Eighty-first Congress.

The following extracts from a recent release by the President sets forth the proposed program in detail:

"The President announced, in a message to Congress on June 20, that he had instructed the Director of the Bureau of the Budget to work out a system for preparing budget estimates on a performance basis. Both the House and Senate have passed bills requiring a performance budget in the case of the National Military Establishment, and the Senate Appropriations Committee in its report on the 1950 military appropriations endorsed this requirement.

"The change which will be most noticed in the 1951 budget, to be transmitted to Congress next January, is the addition of textual statements on program and performance. Past budgets have primarily presented a tabulation of the financial plan for the year, together with the language of appropriation bills proposed for enactment by Congress. The new budget will present two plans: The financial plan, in tables of figures, and the program plan, in narrative style.

"Another change, which may be less noticeable in form but quite significant, according to budget officials, is the improvement of activities schedules. Where more than half of the appropriations in the past have not been accompanied by any breakdown showing how the dollars would be related to programs, it is anticipated that the new budget will break down over 90 percent of the appropriations to show the programs, projects or activities to be carried on and the dollars to be devoted to each. Comparative figures will be shown for the two fiscal years preceding the budget year.

"Current expenses and major capital outlay will be separated in the activities schedules in the 1951 budget, and in addition the schedules will show separately the money the Government spends in the form of grants, subsidies, and contributions. Current expense covers the current operations of the Government. Major capital outlay relates primarily to public works and improvements, loans, and other payments in which the Government exchanges cash for some other kind of an asset."

On other aspects of recommendation 12, the Bureau letter heartily endorses simplification or elimination of the warrant system, and favors uniform departmental accounting practices, procedures, nomenclature, and better inventory and public debt accounting. The Bureau, however, warns against uniformity being carried to extremes at the lower levels of operation. "Work toward these goals," the letter states, "is currently being undertaken" in the joint project mentioned above.

Recommendation 13 of the Hoover report calls for further study of less expensive fidelity insurance for accountable officers of the Government. The Bureau letter approves the explorations now being made with staff members of both legislative and executive branches and representatives of leading insurance companies "to develop a simple and efficient method" of accomplishing the desired end.

The two letters of the Bureau of the Budget follow:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

MY DEAR SENATOR MCCLELLAN: On or about May 23, 1949, you requested the departments and agencies of the executive branch to furnish the Committee on Expenditures in the Executive Departments with their comments relative to the applicability and implementation of the various recommendations of the Commission on Organization of the Executive Branch of the Government.

In compliance with the request, the agencies proceeded to submit their views on those recommendations which affected their organization or management. Most of the agency replies were subsequently released by you and published in full or in part in the CONGRESSIONAL RECORD.

Some of the agency replies were transmitted to the Bureau of the Budget under the ordinary procedure for obtaining advice with respect to their relationship with the President's program. In other cases to avoid delay in complying with the committee's request, and at the committee's suggestion, normal clearance procedure was not followed. I should like, therefore, to point out that unless the agency letters indicate the advice received as to the relationship of their comments to the President's program, these comments represent only the view of the individual agency concerned. Many of the organizational issues which were raised by the reports of the Commission are still under study. After the President has had an opportunity to review the results of these studies he will formulate further recommendations with respect to organization proposals of the Commission. Until the President has taken a position with respect to these proposals no views expressed by agency heads can be said to reflect the viewpoint of the administration.

Because the publication in the CONGRESSIONAL RECORD of the agency comments on Commission proposals has given rise to a great deal of discussion concerning the administration's position with respect to them I would appreciate it if this letter could be published in the CONGRESSIONAL RECORD in the same manner as the agencies' letters.

Sincerely yours,

F. J. LAWTON,
*Acting Director.*

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Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

MY DEAR SENATOR MCCLELLAN: In reply to your letter of July 25, 1949, I am glad to comment on recommendations 12 and 13 in the report on Budgeting and Accounting prepared by the Commission on Organization of the Executive Branch of the Government.

Recommendation 12 endorses the recommendations of the task force on accounting that the accrual basis of accounting should be applied to both revenues and expenditures; that the present warrant system be simplified or eliminated; and that uniform departmental practices, procedures, nomenclature, better inventory and public debt accounting be adopted.

In our letter of July 5, 1949, we pointed out that the bureau is in favor of performance budgeting and has been developing plans for achieving it. Information on accrued expenditures is essential to achieving the most significant form of a performance budget. It can be said that expenditures accrue, generally, when title to goods passes to the Government and when services have been received. However, the application of such a concept requires many modifications to fit different circumstances.

Information on accrued revenues is also necessary in order to provide adequate controls over receivables and to show a proper relationship between revenues and expenditures in budget planning, analysis, and forecasting.

Information on accrued revenues and expenditures would not in all cases replace the need for some data on cash receipts and disbursements. The cash picture is important in analyzing the effect of the budget on the national economy, in examining the effect of the budget on the public debt, and in certain other respects.

Bureau staff, together with personnel from the General Accounting Office and the Treasury Department, are currently studying the accrual basis to determine its implications with respect to accounting methods, budget processing, and financial reporting. At the same time, our staffs are studying the usefulness of data on the cash basis with a view to determining the respective uses of cash and accrual data.

The Bureau heartily endorses the recommendation to simplify or eliminate the warrant system. The joint staffs of the Bureau, the General Accounting Office, and the Treasury Department are now formulating detailed plans for achieving this objective. The Bureau also favors the development of uniform departmental accounting practices, procedures, nomenclature, and better inventory and public debt accounting. The Bureau recognizes, however, that uniformity (essential for adequate summaries) should not be carried to extremes at the lower levels of operation since the result would then be to put varying types of operations into an inflexible mold, and to deprive administrators of necessary information. Work toward those goals is currently being undertaken by the General Accounting Office, the Treasury Department, and the Bureau of the Budget as a part of their joint accounting project.

Recommendation 13 states that the Congress should "continue its study of the whole question of fidelity insurance for the accountable officers of the Government in order to arrive at a simpler and less expensive procedure."

There are at present before the Congress a number of bills dealing with this subject. Bureau of the Budget staff are currently working with the staff of your committee, the staff of the House Committee on Expenditures in the Executive Departments, and with representatives from leading insurance companies, to develop a simple and efficient method for covering accountable officers of the Government with fidelity insurance.

If there is any additional information which I can furnish you, please don't hesitate to ask.

Sincerely yours,

F. J. LAWTON,
*Acting Director.*

## COMPARISON OF PRESENT FAIR LABOR STANDARDS ACT WITH VARIOUS BILLS

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a very useful document which has been drawn up after a considerable amount of work. It is a comparison of the principal provisions in (a) the present Fair Labor Standards Act; that is, the wage and hour law; (b) the new Lesinski bill; (c) the new Lucas bill; and (d) Senate bill 653 as reported by the committee, which is now before the Senate.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

*Comparison of principal provisions in (a) the present Fair Labor Standards Act (wage-and-hour law), (b) the new Lesinski bill, (c) the new Lucas bill, and S. 653 (as reported by the committee)*

| | | Present law | Lesinski bill | Lucas bill (as amended by the House) | S. 653 (as reported by the committee) |
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| I. | Coverage provisions | The wage-and-hour provisions are made applicable to every employee engaged in interstate commerce or in the production of goods for interstate commerce or in any process or occupation necessary to the production of goods for interstate commerce (secs. 6, 7, and 3 (j)). | Same as present law (secs. 6 and 7 and 3 (j)). | Same as present law except for one important difference. An employee may not be held engaged in the production of goods for interstate commerce unless he is producing the goods or is engaged in a closely related process or occupation indispensable to the production of the goods for interstate commerce (secs. 6 and 7 and 3 (j)). Under this bill the Administrator and the courts will no longer be able to hold subject to the act local retail and neighborhood businesses, selling and serving only customers within the State, on the ground that some of such customers are engaged in the production of goods for interstate commerce. For example, it will not be possible to hold under the act a local fertilizer company engaged in selling all of its fertilizer to local farmers within the State for use on land on which crops are produced for interstate commerce. | Same as present law (secs. 6, 7, and 3 (j)). |
| II. | (a) Exemptions agriculture | Employees in agriculture are completely exempt from wages and overtime (secs. 13 (a) (6) and 3 (f)). | Same as present law (secs. 13 (b) (3) and 3 (f)). | Same as present law (secs. 13 (a) (7) and 3 (f)). | Same as present law (sec. 7 (c)) except that the first processing of buttermilk is also granted a year-round exemption from overtime. |
| | (b) Exemption from overtime for processing of agricultural commodities. | Year-around exemption from overtime is granted to the following: First processing of milk, cream, skimmed milk, or whey into dairy products; ginning and compressing of cotton; processing of cottonseed; and processing of sugar beets and sugarcane into sugar or sirup.<br>14-workweeks-per-year exemption from overtime is granted to the following: First processing, canning, or packing of fresh fruits or vegetables; first processing within the area of production of any agricultural or horticultural commodity; and handling, slaughtering, or dressing poultry or livestock. In general these exemptions are self-operative and do not depend upon any action by the Administrator (sec. 7 (c). See also sec. 7 (b) (3)). | The present exemptions are greatly narrowed and limited.<br>First processing of milk, etc., into dairy products; cotton ginning and compressing; processing of cottonseed: Present year-around exemption from overtime granted by law is repealed and a 14-workweeks-per-year exemption is granted subject to the discretion of the Secretary of Labor.<br>Sugarcane and sugar-beet processing: The present year-around exemption from overtime granted by law is repealed. It is doubtful whether any exemption from overtime is granted to these processors except Louisiana processors who are given a complete exemption from both wages and overtime. No wage exemption is contained in the present law.<br>Slaughtering and dressing poultry: The present 14-workweeks-per-year exemption from overtime granted by law is made subject to the discretion of the Secretary of Labor.<br>Fruits and vegetables packing, canning, and first processing: The present 28-weeks-per-year exemption from overtime is repealed and a 20-weeks-per-year exemption is granted subject to the discretion of the Secretary of Labor (secs. 7 (b) (3) (b) and 13 (b) (12)). | Same as present law except that (1) the first processing of buttermilk is also granted a year-around exemption from overtime and (2) the authority to define "area of production" is transferred to the Secretary of Agriculture (sec. 7 (c)). | Same as present law (sec. 7 (c)). |
| | (c) Exemption from wages and overtime for handling, storing, and processing of agricultural commodities within the area of production. | Complete exemption from wages and overtime granted to any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market or in making cheese or butter or other dairy products (sec. 13 (a) (10)). | Same as present law (sec. 13 (b) (10)). | Same as present law except that the authority to define "area of production" is transferred to the Secretary of Agriculture. | These employees would be no longer exempt from the minimum-wage provisions, but the existing overtime exemption is retained (sec. 6 (a)). |
| | (d) Processing and canning of fish | Completely exempt from both wages and overtime (sec. 13 (a) (5)). | The present exemption from both wages and overtime is greatly narrowed and limited. The wage exemption is eliminated entirely. The Secretary of Labor in his discretion may grant 14-workweeks-per-year exemption from overtime to the first processing or canning of fish (sec. 7 (b) (3) (b)). | Present exemption narrowed to exclude processing or canning of fish (13 (a) (6)), but a 14-week exemption from overtime granted by 7 (b) (3). | Same as present law (sec. 13 (a) (5)). |
| | (e) Local retailing | Complete exemption from both wages and overtime for any employee engaged in making retail sales or in performing work immediately incidental thereto. This includes all retail clerks and also those wrapping and delivering retail purchases (sec. 13 (a) (1)). | This exemption is entirely abolished. | Same as present law (sec. 13 (a) (1)). | Same as present law (sec. 13 (a) (1)). |

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| II. | (f) Retail and service establishment exemption. | Language of present law purports to exempt from both wages and overtime any employee of a retail or service establishment (sec. 13 (a) (2)). Because of the decision of the U. S. Supreme Court in the Roland Electrical Co. case (326 U. S. 657) and the enforcement policies of the Wage-Hour Division, however, it is doubtful whether the exemption is applicable to many retailers. | Denies the exemption to many large groups of retailers. This is done by denying the exemption to any retail or service establishment which sells more than 25 percent of its goods or services to customers who buy for business or nonpersonal or nonfamily uses (sec. 13 (a) (2)). The effect would be to write into the law expressly the rule laid down by the Supreme Court in the Roland Electrical Co. case (326 U. S. 657) that no sale is retail if made to a purchser for a business use. (See also *McComb* v. *Deibert* (E. D. Pa., 1949) 16 Labor Cases, par. 64982. This limitation upon the exemption would cause discrimination between many local establishments and employees performing similar or identical activities. Most retail and service establishments sell and serve both private household customers and local business customers. But under the limitation which this bill would create, the hardware store selling 75 percent of its hardware to private individuals for their personal or family use would be exempt, while the hardware store across the street selling over 25 percent of its hardware to contractors and other local businessmen for use in their businesses would not be exempt. The Ford automobile dealer, 75 percent of whose business consisted of selling Ford passenger cars, would be exempt, while his competitor, the Chevrolet dealer, more than 25 percent of whose business consisted of selling Chevrolet trucks to various local enterprises such as grocery stores, butcher shops, or bakeries, would not be exempt. The furniture store selling 75 percent of its furniture to private individuals for personal or family use would be exempt, but the furniture store selling over 25 percent of its furniture to lawyers, doctors, and dentists for office use would not be exempt. The service station selling 75 percent of its gas and oil for use in passenger cars would be exempt while the service station selling over 25 percent of its gas and oil for use in trucks would not be exempt.<br>While this bill purports to exempt the establishment selling to the farmer, it does not in fact exempt many such establishments. As the establishment is exempt only when it sells goods of the type and in quantities purchased by the ordinary farmer, any sale to a large farmer, who purchased in quantities greater than the average or who purchased machinery of sizes greater than the average, would be nonretail.<br>This bill, however, does liberalize the exemption in one particular. It exempts the large mail-order house from the wage and overtime requirements of the act, since it places no limitation upon the amount of interstate selling a retail or service establishment may engage in. | Clarifies the wage and overtime exemption for retail and service establishments by stating precisely the conditions under which the exemption shall apply. These conditions are threefold: (*a*) over 50 percent of the sales of the establishment must be made within the State where it is located; (*b*) 75 percent of the sales must not be for resale, but rather to the ultimate consumer; and (*c*) 75 percent of the sales must be recognized as retail sales or services in the particular industry (sec. 13 (a) (2)). The discriminatory limitation on the exemption found in the Lesinski bill is eliminated. Any sale or service to a private consumer, businessman (who does not purchase to resell), or farmer will have to be treated by the Administrator and courts as a retail sale or service, so long as such sale or service is recognized in the particular industry as a retail sale or service. Thus the sale by a farm-implement dealer of farm machinery to a farmer will be retail irrespective of the fact that in some cases farm machinery may be sold to the farmer at a discount, if the sale is regarded as retail in such industry. So, too, sales by the hardware store, the paint store, the furniture store, the stationer, etc., whether made to private householders or to business users, will be retail, so long as they are not for resale and are regarded as retail sales or services in such trades. Likewise, the services of hotels, restaurants, repair garages, filling stations, and the like, whether rendered to private householders or to business customers, will be retail so long as they are regarded as retail services in such trades. An employer claiming exemption would have the burden of proving to the courts that in fact 75 percent of his sales or services are recognized as retail in his industry. This bill thus has the effect of confirming the exemption for the various local neighborhood businesses whom it was the original purpose of the existing law to exempt. Included among such businesses are the grocery stores, the hardware stores, the clothing stores, the dry goods stores, restaurants, hotels, stationery stores, farm implement dealers, automobile dealers, coal dealers, paint stores, furniture stores, and lumber dealers. Since almost any retail or service establishment does some selling which is not strictly regarded as retail, such as selling to purchasers who buy to resell, a 25-percent tolerance of nonretail activities is permitted by this bill. This is the same as the tolerance presently allowed by the Administrator and also proposed in the Lesinski bill.<br>This bill does not exempt the mail-order houses, since it requires the retail or service establishment to make over 50 percent of its sales within the State. | Same as present law (sec. 13 (a) (2)). |
| | (g) Bakeries, ice plants, candy kitchens, ice-cream parlors. | No exemption for employees engaged in making bakery products, ice, etc. | Same as present law | Complete exemption from wages and overtime granted to an establishment selling products which it makes if it satisfies the following conditions: (1) Over 50 percent of its sales are made within the State where it is located; (2) 75 percent of its sales are not for resale; (3) 75 percent of its sales are recognized as retail sales in its industry; and (4) the establishment is recognized as a retail establishment in its industry (sec. 13 (a) (4)). | Same as present law. |

*Comparison of principal provisions in (a) the present Fair Labor Standards Act (wage-and-hour law), (b) the new Lesinski bill, (c) the new Lucas bill, and S. 653 (as reported by the committee)*—Continued

| | Present law | Lesinski bill | Lucas bill (as amended by the House) | S. 653 (as reported by the committee) |
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| (h) Laundries and establishments engaged in cleaning clothing and fabrics. | Probably not exempt from either wages or overtime if over 2 percent of the laundry's services are for barber or beauty shops, doctors' or dentists' offices, schools, restaurants or hotels or other business customers. See *Roland Electrical Co. case* (326 U. S. 657). | Same as present law (sec. 13 (a) (2)) | Completely exempt from both wages and overtime if 75 percent of the laundry's services are for customers who are not engaged in a mining, manufacturing, transportation or communications business and if over 50 percent of the services are for customers within the State in which the laundry is located. Thus, a laundry, 75 percent of whose services were for customers such as housewives, hotels, restaurants, schools, hospitals, barber and beauty shops, and doctors' and dentists' offices, would be exempt. On the other hand, a laundry would not be exempt if over 25 percent of its business were with pullman trains or other railroad or bus companies or with such customers as factories or mines (sec. 13 (a) (3)). | Do. |
| (i) Interstate motor carriers | Complete exemption from overtime granted to loaders, mechanics, drivers, and drivers' helpers (sec. 13 (b) (1)). | Exemption from overtime for loaders and mechanics is completely eliminated. Even drivers and drivers' helpers lose the exemption if they spend as much as 50 percent of their time in activities other than driving or helping to drive (sec. 13 (c) (1)). | Same as present law (sec. 13 (b) (1)) | Same as present law (sec. 13 (b) (1)). |
| (j) Railroads, pipe-line companies, etc. | Complete exemption from overtime granted to employees of railroads, express companies, pipe-line companies, etc. (sec. 13 (b) (2)). | Exemption from overtime for employees of pipe-line companies is eliminated (sec. 13 (c) (2)). | Same as present law (sec. 13 (b) (2)) | Same as present law (sec. 13 (b) (2)). |
| (k) Air-line employees | Complete exemption from wages and overtime granted to all employees of air carriers (sec. 13 (a) (4)). | Wage exemption is eliminated for all air-carrier employees. Overtime exemption is granted only to flight personnel (sec. 13 (c) (3)). | Wage exemption is eliminated for all air-carrier employees. Complete overtime exemption, however, is granted to all such employees and not only flight personnel (sec. 13 (b) (3)). | Same as present law (sec. 13 (a) (4)). |
| (l) Seamen | Complete exemption from wages and overtime granted to all seamen (sec. 13 (a) (3)). | Complete wage and overtime exemption granted to all seamen on vessels other than American vessels (sec. 13 (b) (9)). As for seamen on American vessels, they are subjected to the wage provisions but are completely exempted from overtime (sec. 13 (c) (4)). | Same as present law (sec. 13 (a) (5)) | Same as present law (sec. 13 (a) (3)). |
| (m) Small weekly or semiweekly newspapers. | Complete wage and overtime exemption granted to employees of weekly or semiweekly newspapers with a circulation of less than 3,000, the major part of which is in the county where printed and published (sec. 13 (a) (8)). | Complete wage and overtime exemption granted to employees of weekly or semiweekly newspapers with circulation of less than 5,000, the major part of which is in the county where printed and published or in contiguous counties. The exemption is denied, however, if the newspaper is produced by stencil, mimeograph, or hectograph process. Also the exemption is denied to shoppers' guides (sec. 13 (b) (5)). | Same as Lesinski bill except that the exemption may apply even if the newspaper is produced by stencil, mimeograph, or hectograph process. Also it may apply even to shopper's guides and daily newspapers (sec (13 (a) (9)). | Same as present law (sec. 13 (a) (8)). |
| (n) Switchboard operators in public telephone exchanges. | Complete exemption from wages and overtime if the exchange has less than 500 stations (sec. 13 (a) (11)). | Same as present law except that the number of stations the exchange may have is raised from 500 to 750 (sec. 13 (b) (6)). | Same as present law (sec. 13 (a) (12)) | Same as present law (sec. 13 (a) (11)). |
| (o) Forestry and lumbering operations. | No exemption unless such operations are conducted by a farmer or on a farm as an incident to or in conjunction with farming operations (secs. 13 (a) (6) and 3 (f)). | Complete exemption from both wages and overtime for employees engaged in forestry or lumbering operations up to the point where the products are processed in a sawmill, if the number of employees employed by the employer in forestry or lumbering operations does not exceed 12. This exemption applies whether or not the operations are conducted by a farmer (sec. 13 (b) (13)). | Complete exemption from wages and overtime where conducted by an employer having not more than 12 employees. | Same as present law (secs. 13 (a) (6) and 3 (f)). |
| (p) Newspaper delivery boys | No exemption | Complete exemption from wages and overtime for newsboys delivering newspapers to consumers (sec. 13 (a) (1)). | No exemption. (None is needed, for this bill does not bring newsboys under the coverage of the act in the first instance.) | Same as present law (no exemption). |
| (q) Nonprofit irrigation companies supplying and storing water for farmers. | ----do | Same as present law | Completely exempt from wages and overtime (sec. 13 (a) (16)). | Do. |
| (r) Telegraph agencies | No exemptions | Exemptions for employees engaged in handling telegraphic messages for an agency, the revenue of such agency not exceeding $500 a month (sec. 13 (b) (8)). | Same as Lesinski bill. (sec 13 (b) (8)) | Same as Lesinski bill (sec. 13 (b) (8)). |

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| III. Minimum wage | 40 cents per hour (sec. 6). The term "wage" is defined as including the reasonable cost to the employer of furnishing the employee with board, lodging, or other facilities (sec. 3 (m)). | Establishes a rigid 75-cent minimum hourly rate (sec. 6). The term "wage" is redefined so that board, lodging, and other facilities furnished the employee may not be included in wages, if the facilities are an incident of and necessary to the employment and practically available only from the employer (sec. 3 (m)). This would require the payment of the minimum cash wage, in addition to the facilities, to such employees as seamen, meal service employees on common carriers, or employees in isolated lumber camps. | Establishes a rigid 75-cent minimum hourly rate (sec. 6). The term "wage" is defined as in the present law (sec. 3 (n)). | Same as Lucas bill as amended by the House (secs. 6 and 3 (n)). |
| IV. Overtime: | | | | |
| (a) Belo plan | The Supreme Court has approved as valid the Belo plan under which an employer may pay his employees who work different hours each week a fixed guaranteed weekly salary. | Imposes conditions upon the Belo plan which will make it virtually unusable (sec. 7 (c)). | Specifically validates Belo-type contracts if the duties of the employees necessitate irregular hours of work. The contracts may be made either individually with the employees or with unions, but must specify a regular rate of not less than the minimum provided in sec. 6 and compensation at not less than time and one-half such rate for all hours worked over 40 in a week. The contracts must also provide a weekly guaranty of pay for not more than 60 hours based on the rates so specified (sec. 7 (e)). | Same as present law. |
| (b) Overtime on overtime | Retroactively nullifies the effect of the Supreme Court's decision in the Bay Ridge case requiring payment of overtime on overtime. (*See* H. R. 858, Public Law 177, 81st Cong., 1st sess.) | Incorporates provisions of Public Law 177, which nullifies Supreme Court's decision in Bay Ridge case, but rescinds by implication the retroactive features of such Public Law 177 (secs. 7 (d) (6) and (7) and sec. 7 (f)). | Same as Public Law 177 (secs. 7 (d) (6) and (7) and sec. 7 (g)). (*See also* sec. 3 (e) on p. 38 of this bill.) | Do. |
| (c) Bonuses, payments for vacations, illness, etc., profit-sharing plans, employer contributions to old-age, retirement, etc., funds. | Does not state which of such payments must be included in regular rate of pay for purposes of computing overtime. | Clarifies the question of which of such payments must be included in regular rate of pay for purposes of computing overtime (secs. 7 (d) (1), (2), (3), and (4)). | Same as Lesinski bill except that, unlike Lesinski bill, no authority is given the Administrator or Secretary of Labor to issue regulations dealing with profit-sharing plans or with talent fees paid to performers. Also bonuses are included in regular rate of pay only if paid pursuant to prior contract agreement, or promise, while under the Lesinski bill they are also included in regular rate of pay if paid pursuant to a prior "arrangement, or a custom or practice" (secs. 7 (d) (1), (2), (3), and (4)). | Do. |
| V. Administrative power under the Act | In an independent Administrator (sec. 4) | Transfers administrative power to the Secretary of Labor notwithstanding that the organic act establishing the Department of Labor states the purpose of the Department to be "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment" (sec. 4). The Department of Labor is staffed with assistant secretaries recruited from organized labor. The Department moreover, takes the position that it is spokesman for labor in the President's official family. | Same as present law (sec. 4) | Same as present law (sec. 4). |
| VI. Rule-making power | No rule-making authority granted the Administrator except in limited areas, such as authority to define who shall constitute an executive employee (sec. 13 (a) (1)), authority to issue regulations concerning learners (sec. 14), etc. | Unlimited rule-making authority conferred upon the Secretary of Labor, and it is made unlawful and punishable criminally to violate any rule of the Secretary. The rule-making power includes authority to issue rules, regulations, determinations, and orders and to define any term used in the law. The Secretary may prescribe conditions, limitations, or standards, and he may clarify the meaning of terms and provisions and make more certain the scope of their application. This is the most widespread delegation of authority ever proposed in a peacetime statute. It would be an abandonment by Congress to the Secretary of the legislative function. Congress admits in this bill that it is unable to write the statute clearly, fairly, uniformly, or effectively; or to protect employers or employees; or to safeguard the fair labor standards established by the act; or prevent the circumvention or evasion of such standards. Consequently, it authorizes the Secretary to do all those things as he sees fit (secs. 11 (b) and 15 (a) (2)). | Same as present law | Same as present law. |

*Comparison of principal provisions in (a) the present Fair Labor Standards Act (wage-and-hour law), (b) the new Lesinski bill, (c) the new Lucas bill, and S. 653 (as reported by the committee)*—Continued

| | Present law | Lesinski bill | Lucas bill (as amended by the House) | S. 653 (as reported by the committee) |
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| VII. Right to sue for back wages due employees. | No such right conferred upon the Administrator. Employees alone may sue for back wages (sec. 16 (b)). Such right of suit is subject to the 2-year statute of limitations prescribed in sec. 6 (a) of the Portal-to-Portal Act. | The Secretary is authorized to bring suits to recover back pay due employees. In connection with such suits the employees waive their right to liquidated damages. Such suits by the Secretary are not limited by any statute of limitations and may go back to Oct. 24, 1938, the effective date of the original law. Moreover, the Secretary is also impliedly authorized to collect back pay in injunction suits he may bring under sec. 17 to restrain violations of the act in the future. (See proviso at end of sec. 16 (c) on p. 38 of this bill.) In connection with the injunction suits, there is no waiver by the employees of their right to liquidated damages. They may thereafter sue for same (sec. 16 (c)). | Same as present law (sec. 16 (b)) | Same as Lesinski bill except that the Administrator is substituted for the Secretary of Labor, and an action by the Administrator is considered to be commenced for the purposes of the 2-year statute of limitations provided in sec. 6 (a) of the Portal-to-Portal Act of 1947 when the complaint is filed if the individual claimant is specifically named as a party plaintiff in the complaint, or if his name did not appear, on the subsequent date on which his name is added (sec. 7 (c)). |
| VIII. Defense of employer who acts in good faith in conformity with regulations, orders, or interpretations of the Administrator. | Under sec. 10 of the Portal Act this defense is available only if the employer relies upon the Administrator's regulations, etc., as well as acts in conformity with them. | Makes no change in the Portal Act on this point. | Modifies sec. 10 of the Portal Act so as to allow the defense where the employer simply acts in good faith in conformity with the Administrator's regulations, etc. There is no requirement that the employer actually rely upon such regulations. This is a desirable modification, since it is frequently difficult for an employer to prove actual reliance, as he may not in fact know about the myriad outstanding rulings. (Sec. 4 (e).) | Same as present law. |
| IX. Portal Act | Such act is in full effect | Casts doubt upon whether such act, which is closely allied to the Fair Labor Standards Act, would remain in full effect, since the bill contains no savings clause leaving it in full effect. | Contains a savings clause leaving the Portal Act in full effect. (See sec. 3 (d) on p. 38 of this bill.) | Contains a savings clause leaving the Portal Act in effect except as modified by the last sentence of subsec. (c) of amended sec. 16 of the present act. |
| X. Child-labor provisions. (a) Coverage. | Prohibits shipment in commerce of goods produced in an establishment where child labor is employed (sec. 12 (a)). | Extends the child-labor provisions so as directly to forbid the employment of child labor in commerce or in the production of goods for commerce. The bill also forbids any employer engaged in commerce or in the production of goods for commerce to employ any child labor in connection with any enterprise where he is so engaged. Thus, the coverage is extended to all employees of an employer engaged in commerce or in the production of goods for commerce (sec. 12 (b)). A comparable extension of the wage-and-hour provisions, at one time proposed, has been dropped. | Extends the child-labor provision so as directly to forbid the employment of child labor in commerce or in the production of goods for commerce (sec. 12 (b)). | Same as Lucas bill as amended by the House (sec. 12 (b)). |
| (b) Exemptions: (1) delivery of newspapers. | No exemption | Exemption for newsboys delivering newspapers to consumers (sec. 13 (a) (1)). | No exemption. (None is needed, for in this bill newsboys are not under the coverage of the child-labor provisions in the first instance.) | Same as present law. |
| (2) employment by parents of children under 16 in occupations proscribed for the same children at ages 16 and 17. | No exemption | Excludes from the parental employment exemption the employment of children under 16 in such hazardous work (sec. 3 (1)). | Same as Lesinski bill | Same as Lesinski bill (sec. 3 (1)). |
| (3) after-school agricultural employment and radio and television productions. | Exempts from provisions of sec. 12 agricultural employment while not legally required to attend school.<br>No exemption for radio or television (sec. 13 (c)). | Exempts only agricultural employment "outside of school hours for the school district."<br>Exempts children from sec. 12 who are in radio or television productions (sec. 13 (d)). | Same as the present law except allows radio and television exemptions. | Same as Lesinski bill (sec. 13 (d)). |

PROPOSED CONFERENCE IN WASHINGTON REGARDING FINANCES OF GREAT BRITAIN

Mr. KEM. Mr. President, there is an old English proverb, "History repeats itself."

The American taxpayers today have good reason to feel the stark truth of this ancient maxim, which is said to be as old as Thucydides. For the British are coming, Mr. President, coming to Washington next month—and why? The answer is they need further aid to bolster their faltering Socialist Government. They plan again to tap the United States Treasury—as they have tapped it so frequently, so successfully, so prolifically in the past.

Mr. President, "the heavily burdened people of the United States" have grave misgivings about this forthcoming conference—and well they may have. In view of what has transpired in the past, can anyone blame the hard-pressed American taxpayer who asks, "Have not we been over this road before?" The cowboy philosopher, the late lamented Will Rogers, once said: "The United States has never lost a war," and then added sadly, "We have never won a conference."

WHAT DO THE BRITISH WANT NOW?

I have no knowledge of what Mr. Ernest Bevin and Sir Stafford Cripps will propose at the conference, which begins on September 6. According to newspaper reports, their requests for additional assistance may take a number of forms. It is reported that Britain's Socialist leaders may suggest that we devaluate our dollar by raising the price of gold we buy from them. They may request that the United States undertake to support the prices of basic world commodities, or embark upon a vast program of investments abroad through the International Bank. It is reported, too, that Britain's leaders may propose that we set up a stabilization fund—at the expense, of course, of the United States Treasury—to support the pound sterling. It may be that Mr. Bevin will be bold enough again—Mr. President, may I be permitted to say, he may again have the intestinal fortitude—to suggest that some way be found for "utilizing" as they say, what they are pleased to call the "free gold" buried at Fort Knox.

It has also been proposed that the British "conserve their dollar reserves by using Marshall-plan dollars to purchase Canadian wheat." This suggestion will bring no great applause either from those who have supported ERP because they thought it would help us get rid of agricultural surpluses, or from our wheat farmers who have been watching this year's wheat crop pile up in Government storage.

These proposals, tentative though they may be, Mr. President, all have one thing in common. Each represents a means—a method—to tap the American Treasury for more billions or more millions to prop up the tottering socialistic economy of Great Britain. It is reported that the British Socialists seek an additional $15,000,000,000 in aid—not all at once, perhaps, but over a period of years.

Mr. President, it can hardly be denied that "the heavily burdened people of the United States"—to repeat Mr. Churchill's sympathetic description—have been generous—exceedingly generous—with our British friends. At a later date I shall discuss in the Senate the record of the give-away era, during which the United States has been developed into what has come to be known as the "hand-out state."

WHY BRITAIN LACKS DOLLARS

The Economist of London in an article entitled "Britain in the Pillory," reprinted in part in the Washington Post of August 21, 1949, denies that Britain's balance of payments difficulties "are due in large part to the specifically Socialist measures that the present Government has taken, and that a non-Socialist government would not have taken."

In making this pronouncement the usually sound London Economist must have let its patriotic ardor get the better of its scientific judgment. It has failed to take into account, or at least makes no effort to explain, certain well established economic facts.

Britain lacks dollars because she cannot produce sufficient low-priced goods to meet the competition of the free-enterprise system. Her welfare state expects the foreign markets to pay for some of her expensive experiments, like socialized medicine. But more important, this welfare system lacks the ingenuity, the efficiency, and the flexibility to get out the types and styles of goods that foreign buyers want. High production means more than hard work; it means skillful and resourceful management. Socialism usually means leisurely labor. The evidence indicates that in present-day England socialism means management dead on its feet.

As a result, the British have failed to produce sufficient goods for export at prices the buyers in the foreign markets are ready and willing to pay. This inefficient and high-cost production has been effective in an economic sense from the very beginning of the British Socialist regime. And so when the usually highly regarded Economist says that the nationalization schemes of the British Socialist Government "have certainly not yet had time to exert any effect on the ratio between imports and exports," the Economist is hitting wide of the mark.

There is one more statement in the Economist article that is perhaps worthy of brief comment. The piece closes with the expression of this pious wish:

> There is a month to go before Sir Stafford Cripps and Mr. Bevin pay their fateful visit to Washington. It is to be hoped that in the interval calmer tempers and saner judgments prevail.

On August 21, 1949, a contemporary of the Economist of much wider circulation, the Sunday Pictorial also published in London, likewise came out with a "reply to America's lies and slanders." Asking for "a fair hearing of Britain's case," it asserted that Britain would continue to support any party or government it chose, "whether it suits the book of your Wall Street wolves or power-drunk political wire pullers." It continued: "Too many of you Americans are being fooled by grasping, bigoted tycoons, by brash around-the-world-in-a-day politicians, and by your lying anti-British press." There is more to the same effect. This article appears to refer to three groups in our national life: (a) our financial community, (b) our public officials, including Members of Congress, (c) the American press.

After being properly chastised and put in their places, each of these three groups is now expected to proceed to the consideration of such requests as the British may see fit to make of us, with calm temper and sane judgment. It is to be hoped that the decisions reached at the forthcoming conference in Washington will not be influenced by either the frankness or what may appear to be a lack of urbanity on the part of our British friends.

HOW HAVE THE BRITISH PROFITED FROM OUR MONEY?

Mr. President, Great Britain is the key to the success or the failure of the Marshall plan. She is by far the largest beneficiary of the program. She is the financial center of the so-called sterling area, the currencies of which are tied to the British pound sterling. Her economic recovery is of vital importance to the people of the world. None are more directly affected than the American taxpayers, who have so generously supported Britain's economy for so long a period of time.

It is becoming increasingly apparent that until the British Socialist Government recognizes the economic facts of life, until that government foregoes its extensive plans for a completely socialized, planned economy, there can be no British recovery.

Mr. President, earlier today the distinguished junior Senator from Pennsylvania [Mr. MARTIN] placed in the RECORD a series of articles written by E. T. Leech, editor and publisher of the Pittsburgh Press, which are currently appearing in the Scripps-Howard newspapers throughout the United States. Mr. Leech recently went to Britain to obtain some first-hand information regarding the British situation. His articles are entitled "Utopia on the Rocks—British Socialism in Action." I commend them, as did the Senator from Pennsylvania, to the thoughtful attention of my colleagues. I quote some of Mr. Leech's statements for the benefit of those Senators who have not had and may not have an opportunity to read them. He writes:

> Right now, the Marshall plan is gravely threatened. Recovery is in dire peril, after it seemingly was well started. The big reason is the British financial jam.
>
> British Government leaders deny this is due to heavy spending on their vast Socialist program. Their opponents charge that it is, at least in part. The whole security program and nationalization of industry are financed internally, say Labor Party leaders. They deny that the use of about $360,000,000 in recovery funds (known as "counterpart funds") for the payment of internal debts meant that recovery money was being used on the socialism program.
>
> It seems to be largely a matter of how you keep books. Or, to try for the simplest example, it's like giving a relative $20 provided he spends none of it for booze. So he

spends $5 of his own for liquor, and uses $5 of your money to buy what he otherwise could have bought with his own.

It is hard to escape the conclusion that Britain's vast spending for Socialist schemes—on the heels of a devastating war—is more than she can afford. This spending includes more than $2,000,000,000 yearly for food subsidies, around $1,500,000,000 on the health plan, and other vast sums for housing, the losses of state industries, and support of a government pay roll of more than 2,000,000.

England is living far beyond her means. This must be one reason she has to depend on outside help.

There seems no chance that England can get on her feet by 1952—when Marshall aid supposedly will end. And to make matters more complicated, the Labor Party has a whole list of new or expanded schemes and a lot more industry slated to be nationalized if it can gain reelection. Which will mean new burdens added to present ones. And more cause for high prices.

Socialist Britain doesn't like capitalist America. Nothing personal, but as a matter of principle. Socialism and communism, whatever their other differences, agree on one point. They hate and distrust free enterprise. They want to overthrow it.

British Government heads are careful not to stress this at a time when they are asking a half-billion-dollar boost in this year's Marshall aid. But in their domestic politics and their appeals for home consumption, they make no bones about it.

I think I may say that is rather clearly indicated by the extract from the Sunday Pictorial which I have just read.

I continue to quote from the article by Mr. Leech:

American high prices were blamed for swallowing up the United States loan to Britain 3 years ago, and when American prices fell, America again got blamed for causing England's dollar shortage. In either case, it was "That Old Debbil Uncle Sam."

The United States not only helps fill England's treasury, but provides handy excuses for most of her troubles.

Mr. Leech describes the British Socialists' egalitarian policy of equalizing incomes so that everyone will be on approximately the same financial level. As a matter of fact, the Socialists, through exorbitant tax rates, have had a great deal of success in cutting down the upper incomes. However, they still have a long way to go in raising the lower incomes.

Mr. Leech notes, moreover, that Socialist government officials are not adverse to receiving certain rewards on the side. For example, the Socialist government has spent $108,000,000 since the war for official automobiles, including 39 luxury limousines for top officials in the last 18 months. Lesser ministerial figures in London have 758 such official cars, while 6,600 others are kept in government pools for staff members to use. A London newspaper has charged that expenses for official automobiles have exceeded the total spent since the war on colonial development throughout the British Empire. That, of course, does not include the Marshall-plan funds which are being used to build great peanut plantations in the Colony Kenya, in Africa.

Mr. President, I recently received a most informative letter from another intelligent American visitor to England, Mrs. J. Preston Irwin, of Cleveland, Ohio. Mrs. Irwin has written me:

I am an American of Cleveland, Ohio, living temporarily in England. My husband, an engineering consultant in steel production, is here on business. For 6 months I have been studying Britain's current problems, having had a long and active interest in community life at home. As an active member of the League of Women Voters and the United Council of Church Women, I headed an effort in Ohio in support of the British loan and, later, in support of the Marshall aid.

I may interpolate, Mr. President, that in my own State of Missouri the League of Women Voters has been particularly active in advocacy both of the United States loan to Britain and of the Marshall plan. I continue to read from Mrs. Irwin's letter:

I am now shocked and outraged by the irresponsible dissipation of American funds thus given to Britain.

Nothing has been achieved by this program within the United Kingdom except to conceal the complete failure of British socialism and to postpone its ultimate, inevitable collapse.

Could anything be more stupid than capitalism subsidizing socialism to prevent communism?

Mr. President, I think that sentence is worth repeating:

Could anything be more stupid than capitalism subsidizing socialism to prevent communism?

I continue to read from Mrs. Irwin's letter:

For 6 months of life under a Socialist dictatorship has been convincing evidence that socialism is the embryonic form of Communism. And there are ministers in the present British Ministry who understand that perfectly. Aneurin Bevan, Shinwell, and Strachey are among them.

Mr. Shinwell will be identified by Members of the Senate as Emanuel Shinwell, who made, I may say, a very bitter anti-American speech yesterday, which was fully reported in the American press. I continue to read from Mrs. Irwin's letter:

The Britain of yesteryear has ceased to exist. Today Britain is a nation without pride and without ambition, a beggar holding a tin cup who will betake himself to the nearest pub, when his cup is filled, to go on a beautiful binge.

Neither employers nor employees work. The working days for everyone, except hotel employees, is about 7 hours, 5 days a week. In every office, in every industry, in every trade, time is dissipated on morning coffee, and on afternoon tea. And during the last 3 months all of England has had three week-ends of 5 days each when no one, except hotel employees, worked. At Easter all activity ceased for 5 days; at Whitsuntide, which was early in June, the nation again had a 5-day vacation. And August 1 was the annual bank holiday when again no one worked from Saturday, July 30, to Tuesday or Wednesday of the following week. I boiled at the sight of the indolence when I considered that my fellow-countrymen at home were sweating to support them.

The responsible and intelligent people of Britain do not want Marshall aid. For they know that it is contributing to the ruin, probably the end, of their once great nation. Speaking at a Conservative meeting, attended by about 200 people, recently, I mustered the courage to say that I thought Marshall aid had been a mistake. And there was unanimous and vehement agreement.

Today the lives of 48,000,000 Britons are dictated completely by a little group of stubborn, inept, and autocratic men, against whose personal, arbitrary opinions there is no appeal. The nation is pilloried and helpless.

It is rather interesting that the same word, "pilloried," was used in the London Economist yesterday in the headline of an article in which it was said Britain was put in the pillory by the Americans. It seems there is good opinion that Britain is in the pillory, all right, but due to entirely different causes.

It is time that America awoke, despite Truman's pathetic support of socialization and nationalization, to the fact that we are contributing to the greatest tragedy of the present, the loss of freedom for which 20 generations of men have fought.

Mr. President, the British Government has announced that the drive for further socialism will go on. Senators may recall that Artemus Ward said he "wanted to put down the rebellion, even if he had to sacrifice every one of his wife's relations." That was a pleasantry. Are the British Socialists determined to socialize Great Britain, even if they have to sacrifice the solvency of every American taxpayer? That would be a grim joke.

HOW MUCH FURTHER IS THE AMERICAN ECONOMY TO BE DRAINED?

Mr. President, the question to which I am addressing myself is this: How much longer can we continue our present policy of throwing the doors of the Treasury open to all comers? Experience is supposed to be the best teacher. Our experience to date with foreign aid has been dismal. Is the lesson to be entirely lost to us? It was Santayana, I think, who remarked that people who cannot remember history are condemned to repeat it.

We have matters at home more pressing than many of the problems abroad. The administration, I read, is concerned about the fertility of the farm land of England. For my part, I am much more—very much more—concerned about the loss of fertility, which is going on every day in the valleys of the Mississippi, the Missouri, the Savannah, and other American rivers.

It is all right for Mr. Truman, in his much discussed point IV, to express concern about the improvement and growth of underdeveloped areas of the world. Such bold, new programs intrigue our interest. But I happen to be still more concerned about underprivileged children in the United States. I want to know why the old folks in my State of Missouri, and in all our States, are receiving less in old-age benefits from the Federal Government than their counterparts in Great Britain receive from the British Government. How about, for a change, looking after our own resources? How about looking at our own economy, before spoon-feeding any more economic soothing sirup to the people of Great Britain? What about the ever present, or recurrent, dollar shortage among many of our own citizens?

I have been at that pass myself, and I do not know of any insurance against feeling it again. Can we be sure we are not undermining the prosperity of own Nation, impoverishing our own people, and inviting upon our own heads the disaster of insolvency?

If I had my way, we would say to Mr. Bevin and to Sir Stafford Cripps when they come to Washington on their official mission:

Not another American dollar for British socialism. Not another dime of the American taxpayer's money until you take measures to help yourselves. We have done our part. We stand on the record. The evidence shows you have not done your part. Go home and establish a free market for your inflated pound sterling—call a halt to your wasteful and inefficient experiments in socialism—terminate your bilateral trade agreements designed to shut off the competition of free American enterprise in the markets of the world. After you have done these things, then and only then will we consider proposals for further disbursement to you of the hard-earned money of the people of the United States.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950 — UNANIMOUS-CONSENT AGREEMENT

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, after having conferred with the minority leader, I should like to submit a unanimous-consent request to set aside the 30-minute limitation on debate on the Southwestern Power Administration amendment to the Interior Department appropriation bill, and that that amendment and all amendments thereto be voted on at 2:30 p. m. tomorrow, the time between 12:30 and 2:30 to be controlled by the senior Senator from Oklahoma [Mr. THOMAS] and the senior Senator from Alabama [Mr. HILL].

Mr. WHERRY. Mr. President, reserving the right to object, may I ask the reason for the vacating of the agreement regarding the 30-minute limitation?

Mr. HAYDEN. Because the amendment referred to is the pending question whenever we resume the consideration of the Interior Department appropriation bill.

Mr. WHERRY. I understand that.

Mr. HAYDEN. If we devote 2 hours to debate tomorrow we would not want to talk about it today. We can proceed with other amendments.

Mr. WHERRY. Mr. President, I shall not object, but it seems to me that what is likely to happen is that if the Senate proceeds to debate the pending issue, which is the motion to reconsider the House amendment to Senate amendment No. 46 to the independent offices appropriation bill, and possibly debate the question all afternoon, when tomorrow arrives there will be 2 hours left, and possibly one Senator will consume most of the time.

Mr. HAYDEN. No. The time will be controlled by the senior Senator from Oklahoma [Mr. THOMAS] and the senior Senator from Alabama [Mr. HILL].

Mr. WHERRY. I shall not object. I entered into the agreement regarding a 30-minute limitation on debate with some hesitancy, because I thought it might cut off some Senator and prevent a long speech.

The PRESIDING OFFICER (Mr. HUNT in the chair). Is there objection? The Chair hears none, and it is so ordered.

PROPOSED CONFERENCE IN WASHINGTON REGARDING FINANCES OF GREAT BRITAIN

Mr. WHERRY. Mr. President, continuing with reference to the very forceful remarks made by the junior Senator from Missouri [Mr. KEM], calling our attention to the conference which will be held in Washington, beginning on September 6, 2 weeks hence, among officials of the Governments of the United States, Canada, and Great Britain, to discuss the economic crisis confronting England and the sterling area, I notice that press dispatches this morning state that Mr. Snyder, the Secretary of the Treasury, will head the American delegation, accompanied by his Cabinet colleague, Mr. Acheson, Secretary of State, and Mr. Lewis Douglas, Ambassador to the Court of St. James's, and others. Preliminary talks are already under way. In fact, I called attention to this matter on Saturday, in a release which came out this morning, in which I expressed some views. I should like to state for the RECORD at this time that the agenda of the conference has not been officially announced, but reports are rife that Great Britain will assert that her policies are in nowise responsible for her present plight. Those are the reports not only throughout the United States, but in other countries. As has already been so ably stated by the junior Senator from Missouri, these reports indicate that Great Britain will assert that she can continue to finance her socialistic government and that it has not increased the cost of manufacturing goods. Certainly, Mr. President, she will not continue devaluation of her currency; certainly she will seek waiver of point IX of the British loan agreement; certainly an agreement will be sought on an economic union between the United Kingdom and the United States; certainly the United States will be requested to raise the price of gold from $35 an ounce to $50 as a means of bolstering the pound sterling. Britain will devalue her currency if the United States will back the pound sterling with the gold at Fort Knox.

Those are the indications and the signposts of what will be considered by the conference. I could go on indefinitely, but I have failed to note any formula for discussion as to what it will cost the American taxpayer. That is the summation of the whole discussion which will take place at the conference among officials of Canada, the United States, and Great Britain.

The junior Senator from Nebraska might offer a speculation of his own, namely, that the American delegation—and I refer particularly to the State Department representation—will pledge action on the part of this Government to a proposal to be laid before the American people in the specious guise of "self help and mutual aid," but with the tacit understanding that all financial support will be the peculiar province of the United States alone.

These speculations serve as a vivid reminder of prior deliberations on the part of officials of this Government and officials of foreign governments—at Tehran, Potsdam, and other places—following which the statements made by our representatives have been pointed to as moral commitments which the Congress should bolster with substantive law and the taxpayers' dollars.

As I recall, a statement made by an individual receiving an honorary degree from one of our universities served as the fulcrum for launching the European recovery program, the most expensive degree ever conferred.

It will also be recalled that Mr. Truman, during the course of his inaugural address, made some reference to the development of "the backward areas." The executive departments of the Government are striving without surcease to "implement point 4." Within the past week the Secretary of the Interior assured the United Nations that the United States Government was ready to provide cash for such a program.

It is my prediction that in a short time Congress will receive a message from the President requesting funds for the world-milk route, pointing to moral commitments which will require the Congress to rubber stamp its approval.

So, Mr. President, I think it is safe to assume, on the basis of experience, that British officials will receive promises from the American delegation which, if borne out, will cost the American taxpayers billions of dollars.

Permit the junior Senator from Nebraska to serve notice on our distinguished guests, and also to remind the distinguished American representatives, that the agreements which may be made on behalf of the American delegation, will be binding only to the extent that existing substantive law empowers the execution of such agreements. Let it be expressly understood that any agreement entered into, the execution of which will require action by the Congress, does not establish a moral commitment upon America to ratify such agreement. Certainly conferences of this kind should be in the open and the facts should be understood not only by those who discuss the matters involved, but should be made plain to the press, to the Congress, and to the American people, so that we will know what commitments are made which might require legislation to rubber stamp the moral commitments as they have been made in the past by the State Department in behalf of the United States Government.

Let me repeat—the officials party to the coming tripartite financial conference should conduct their deliberations fully aware that any agreements entered into which will require congressional action will not be viewed as presenting moral commitments upon the United States to ratify such agreements and the

attendant furnishing of American taxpayers' dollars for further foreign aid.

Mr. President, the remarks I have made make plain the position of the junior Senator from Nebraska.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Pennsylvania.

Mr. MARTIN. Is not one of the great difficulties encountered by the American people at the present time the number of secret agreements which have been made, which commit the Congress or the American people, without their having any knowledge whatsoever as to what is being done?

Mr. WHERRY. Mr. President, I answer the Senator in the affirmative. Since I have been a Member of the Senate I have been appalled at the secret agreements which have finally come to light. We had to pry them out in order to get first-hand information and knowledge as to what was being done and had been done. The moral commitments which are made become embarrassing when the Senate and the House take up for consideration legislation which has been introduced to carry out the moral commitments. The Senate has been faced with some comment to this effect, "Well, we have made the commitments. You cannot break faith with these countries. You had better pass the substantive law and finally the appropriations."

So, Mr. President, I say "Yes" to the question of the distinguished Senator from Pennsylvania, and I point to the remarks made by the distinguished junior Senator from Missouri [Mr. KEM] this morning relative to the lady who wrote on behalf of the League of Women Voters, and other women's organizations. When they finally learn what the moral commitments are, they are not so enthusiastic about some of the programs as they were prior to the time they learned what responsibility those moral commitments really place upon the American people, especially the taxpayers.

So, Mr. President, I answer the distinguished Senator from Pennsylvania in the affirmative. I say again that as these foreign officials come to Washington to talk over the economic union, the discussion should be had in the open. The financial situation of the United States is at a crisis, and every dime we spend should be spent only upon justification, and the justifications can be made only upon the presentation of facts. We want the facts covered in these discussions, and not have moral commitments made which we will have to approve through appropriations and through legislation because someone feels we must keep faith with the countries to whom the moral commitments have been made.

Mr. WATKINS. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Utah.

Mr. WATKINS. Has it ever occurred to the Senator from Nebraska that there is a possibility that there was a secret agreement with the North Atlantic Pact countries, with respect to the amount of arms aid we were to give them, prior to the introduction of the bill for that purpose?

Mr. WHERRY. Mr. President, that has not only occurred to me, but I think it was pointed out by some of those who opposed the North Atlantic Pact, who offered amendments, one being offered by the distinguished Senator from Utah, another by the distinguished Senator from Missouri, I believe. I joined in one amendment, which provided that we should write into the substantive law the statement that there was no moral commitment to furnish arms. In answer to that particular amendment we were told, "No, when the arms program comes to the Senate it will be brought about in connection with the Defense Council, under article 9, and the program will come before the Congress of the United States for consideration."

Now we have a program of so-called interim aid, about which we never heard. It is being submitted because of the moral commitments made at the very time the North Atlantic Pact was taken up for consideration, and it is urged we now have to approve some kind of aid in order to save face with those countries to whom the commitment was made at the time the North Atlantic Pact was presented, or even before.

Mr. WATKINS. Does the Senator have in mind the possibility that the visit to this country at this time of these English statesmen is being made to get money to help them win the election which is shortly to take place in Great Britain?

Mr. WHERRY. Mr. President, on that particular subject I am quite satisfied that if the Labor Government in Great Britain, and other governments which we are helping to bolster, are to remain in power, they have to continue to get the American dollar, because they cannot manufacture their goods and sell them in the world market competitively under the socialistic program which they are subsidizing, and for which we are paying dollars to subsidize.

Mr. WATKINS. Does the Senator have in mind the other possibility, that if they do not get the money there is strong probability that the Labor Government will be defeated in the coming election?

Mr. WHERRY. I think there is no doubt about that.

Mr. KEM. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Missouri.

Mr. KEM. I wish to congratulate the Senator from Nebraska on the statement he has just made. I think it is a fine, patriotic American statement, and worthy of an American statesman in the United States Senate.

I wish to express the hope that the distinguished minority leader on the floor of the Senate will take steps to see that what he has just said is brought to the attention of every conferee at the forthcoming Washington conference, so that all of them may know that so far as the leader of the minority party in the Senate is concerned, they are dealing with agents with limited authority, and that there is no recognition on the floor of the Senate of any moral obligation which may come out of that conference.

Mr. WHERRY. I thank the distinguished Senator for his observation. I should like to say that the Senator has my assurance that, so far as the junior Senator from Nebraska is concerned, I shall continue to work to see that not only the delegations attending the conference are notified, but that the countries and the American people are notified that there are no moral obligations until the matters are finally brought before the Congress of the United States and legalized in substantive law, prior to appropriations being made.

Mr. DONNELL. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the senior Senator from Missouri.

Mr. DONNELL. Does not the Senator agree with me that it is well to make perfectly clear in the minds of those who come to us from foreign shores that under the Constitution of the United States the power to dispose of money or any property of the United States does not reside in the executive department, but in the Congress, and that article 4 of the Constitution says: "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States"?

Mr. WHERRY. I thank the distinguished Senator from Missouri for that observation. I especially thank him for bringing the language of the Constitution to my attention. I, for one, have tried to uphold the Constitution, and I know that the distinguished Senator from Missouri has done likewise, as well as other Members of the Senate. But we are continually being circumscribed, we are continually being faced, especially on the Committee on Appropriations, with the statement, "Well, we promised this. Now we have to keep faith with these countries." Of course, we know the Congress has full power over appropriations. The time has come when it should be announced that no official representing this Government has the right to bind the Congress in any way, shape or form until an authorization has been passed and appropriations are made by both bodies of the Congress.

Mr. MARTIN. Mr. President——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I believe the Senator from Pennsylvania [Mr. MARTIN] was on his feet first seeking recognition. I yield to him.

Mr. MARTIN. Does not the junior Senator from Nebraska feel that in this troubled world, paraphrasing the language of the great war President of World War I, treaties openly arrived at will be more likely to bring about peace in the world than treaties arranged through groups of men, in some cases without authority to commit the Government? Does not the Senator believe that if treaties were arrived at so all the people could understand their purposes it would be more likely that real peace in the world would be attained.

Mr. WHERRY. I think so.

I am now glad to yield to the Senator from Illinois.

Mr. LUCAS. I should like to ask the able minority leader just who it is who is making statements to such effect that they will commit the Government of the United States to give away, or lend, any money to foreign nations without authorization by the Congress of the United States?

Mr. WHERRY. Mr. President, I stated in the beginning of my remarks, as the distinguished majority leader would know if he had listened to them, that reports have appeared in the press, not only throughout the United States, but in Great Britain, that Sir Stafford Cripps is coming to the United States of America to try to bring about an economic union between Britain and the United States. The press has stated that he is coming here to secure dollars to supply the European dollar deficit. In connection with the economic union it is said Sir Stafford Cripps will ask for five or six different things. I pointed out what were the things he would ask for. I went on to state that no doubt some of the things he would ask for would be granted. I believe he will ask for the things I mentioned.

The point I made was that, regardless of the requests which would be made, it is high time that those in authority in our Government point out to foreign officials that no further moral commitments will be made, such as those which were made at Yalta and at Potsdam and at other great conferences, commitments which would bind the United States of America morally to carry out something that had not yet been authorized by substantive law or through the making of appropriations by Congress. I said those in authority should point out to foreign officials that Congress will not act to save the faces of those who make moral commitments on our behalf, commitments which had not been authorized by substantive law.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. WHERRY. I yield.

Mr. LUCAS. Whatever money Great Britain receives, if she receives any at all as a result of her negotiations with this country, has to come through the Congress of the United States, and the Senator from Missouri [Mr. DONNELL] has just read the language of the Constitution dealing with that subject, language which everyone knows.

Mr. WHERRY. Mr. President, I wish everyone realized fully the duties imposed on the Congress as set forth in the Constitution, and with that realization clearly in mind would do everything possible to uphold the provisions of the Constitution.

Mr. LUCAS. Mr. President, I do not quite follow the arguments being made on the floor now that Great Britain can get any money from this country until the Congress of the United States authorizes it. That is about all there is to the matter under discussion, is it not?

Mr. WHERRY. Mr. President, the difficulty for many years has been that Members of Congress have taken the very position just now taken by the majority leader, and yet many appropriations have been made, merely for the purpose of saving face, to carry out moral commitments, of which Congress had no knowledge whatever, which had been entered into by Government officials. Many a time the argument has been made in justification of a request for money, "Well, we have done this and we have done that. Now Congress must appropriate money in order to save the face of those who made the representations." That is the point I am making, and I think the majority leader should join with me in making that point. The majority leader and I are in agreement on the point I have made that we should first go through the required constitutional processes in matters of this nature. If we do so, then there will be no argument respecting the validity of what we do.

Mr. LUCAS. What moral obligation have we been committed to by officials of the Government which Congress has, by making appropriations, finally been obliged to carry out?

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. LUCAS. Just a moment. I have asked the Senator from Nebraska a question.

Mr. WHERRY. Mr. President, I can yield to whatever Senator I please, and when I please. I have the floor.

Mr. LUCAS. Yes; but I have just asked the Senator from Nebraska a question.

Mr. WHERRY. Yes, the Senator has asked me a question, and I am glad to answer it also.

Mr. LUCAS. It is a very easy question to answer.

Mr. WHERRY. I will yield, Mr. President, to the Senator from Missouri, if he wants me to yield to him, and after he has concluded I shall answer the Senator from Illinois in due time.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. WHERRY. I yield now to the Senator from Missouri.

Mr. LUCAS. For a question?

Mr. KEM. The Senator from Illinois no doubt remembers the maxim of our childhood that a burned child fears the fire. I should like to ask the Senator from Nebraska if it is not true that it is being urged on us at the present time that the Secretary of State and other members of the State Department made commitments to certain of the Scandinavian countries in connection with the North Atlantic Pact to the effect that we would arm only countries that entered into the North Atlantic Pact. I should like to ask the Senator from Nebraska if it is not being asserted by the duly authorized representatives of those countries today that they have a vested right to arms from the United States?

Mr. WHERRY. Yes.

Mr. KEM. By reason of the wholly unauthorized representations made to those countries by the State Department?

Mr. WHERRY. I agree with the distinguished Senator.

Mr. President, I believe that example submitted by the Senator from Missouri completely answers the question asked by the Senator from Illinois. I shall answer the Senator from Illinois further. Previously I have stated on the floor of the Senate that moral commitments were made to certain foreign countries respecting arms and interim aid at the time we were considering the Atlantic Pact. I think the only justification for interim aid was that moral commitments had been made in connection with the discussions of the Atlantic Pact. I believe any commitments made respecting interim aid during the time the Atlantic Pact was under consideration would be a violation of the representations made when the pact was ratified, those representations being that if there were to be an arms program in connection with the Pact, that program would be submitted to the Congress after the defense council, under article 9 of the pact had prepared the program, and it would come up for consideration in both Houses of Congress.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LUCAS. The Senator now is talking about an arms pact?

Mr. WHERRY. I am talking about moral commitments and commitments to furnish arms, which have been made, and which are now attempted to be justified under the theory that if we do not approve such commitments those who made the commitments will lose face, and we, whom they represent, will lose face with the countries involved. All that is necessary for us to do is to go back and consider the Yalta agreement and the Potsdam agreement, and we can find scores of moral commitments which were made and which we subsequently had to carry out. If I could receive unanimous consent, I should like to place in the RECORD for the benefit of the Senator from Illinois some of the moral commitments to which I refer. I shall ask unanimous consent to supply for the RECORD the moral commitments we made which we subsequently were obliged to carry out.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Yes. I have been very courteous to the Senator from Illinois, and I shall be very glad to answer any question he may desire to ask.

Mr. LUCAS. Now, if the Senator from Nebraska would permit me to ask him a question——

Mr. WHERRY. I am going to answer.

Mr. LUCAS. Will the Senator yield for a question?

Mr. WHERRY. I always yield to the majority leader. There is no Member of the Senate to whom I would rather yield than to the Senator from Illinois.

Mr. LUCAS. Mr. President, will the Senator from Nebraska yield for a question?

Mr. WHERRY. Yes.

Mr. LUCAS. Does the Senator from Nebraska have any faith in the statements made by the Secretary of State before the Committee on Foreign Relations with respect to the fact that absolutely no commitments were made in respect to the Atlantic Pact before we entered into it?

Mr. WHERRY. Mr. President, if I am to answer a question about my faith in the Secretary of State, I would have to go back to the time when I resisted his confirmation as Under Secretary of State, when he attempted to inflict upon General MacArthur a coalition policy which would have permitted the Communists to dictate the policies of the United States in Japan. I would have to begin from that point. I would say, beginning with that particular incident in my life, that it would require a considerable amount of patience on my part and a great deal of enduring faith to agree with some of the proposals of the new Secretary of State, Mr. Dean Acheson.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. LUCAS. The Senator will also remember that he was the only individual in the Senate who was against the confirmation of the nomination of Mr. Acheson.

Mr. WHERRY. The majority leader will remember that former Senator Chandler of Kentucky, one of the most able Members of this body, opposed the nomination of Mr. Acheson for the very reasons I have now given, and Senator Chandler made a motion to recommit the nomination to the Committee on Foreign Relations. I think the Senator will find, if he examines the RECORD, that more than a score of votes, I believe 24, 25, or 26, were cast in favor of recommitting the nomination for further consideration.

Mr. LUCAS. On the final vote——

Mr. WHERRY. On the final vote I did not change my position. It is one of the best votes I ever cast in the Senate. If we had started then with the policy which we should have adopted toward China, we would not find ourselves in the condition we are now concerning China. Mr. Acheson was Under Secretary at the time. Mr. Butterworth, whose nomination to be Assistant Secretary of State is now on the Executive Calendar, which nomination the administration wishes us to confirm, was his assistant. Today, because of their policies, which are pro-communistic, we have a completely disintegrated policy in China, which is not only plaguing the United States, but all the other nations of the world.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to answer this type of question. I enjoy answering such questions.

Mr. LUCAS. Does the Senator maintain that all Senators were out of step except the Senator from Nebraska when the nomination of Mr. Acheson was before the Senate?

Mr. WHERRY. The Senator from Nebraska has been completely justified in that vote. If more Senators had voted that way, we would not have the difficulty we have in China today. It is finally admitted in the white paper that we have no policy at all. It is entirely a give-away. If we had had the kind of policy we should have had in China at that time, we might have had some chance of having peace in the world. The peace of the world depends on China. We are backing out of China. We have wasted our money and our materials. We are in a sad plight. That justifies the vote I cast against Mr. Acheson. If more Senators had been in step with me, we might have had an entirely different situation so far as China is concerned, and Europe, too, if you please, because he put into effect the Morgenthau plan, which absolutely destroyed any chance of getting peace in western Europe.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WHERRY. I want to be sure that I have answered all the questions of the majority leader.

Mr. LUCAS. I have several more questions. My friend always covers more territory than I request in a simple question. Instead of answering the question, he always makes a long speech.

The PRESIDING OFFICER The Chair requests that only one Senator speak at a time.

Mr. WHERRY. Mr. President, have I the floor?

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does the junior Senator from Nebraska yield to the Senator from Illinois?

Mr. WHERRY. I yield.

Mr. LUCAS. We were talking about moral commitments with respect to England. Now we are discussing China. I should like to ask the Senator how he proposes to take care of the Chinese situation. Does he propose to send troops and money over there?

Mr. KEM. Mr. President, will the Senator yield before he answers that question, to permit me to put a short interrogatory?

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from Missouri may be permitted to ask a question——

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. WHERRY. Oh, no. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Do I not have the floor?

The PRESIDING OFFICER. The Chair reverses his previous statement.

Mr. WHERRY. I yield to the Senator from Missouri.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. WHERRY. I yield to the Senator from Missouri.

Mr. LUCAS. Mr. President, I want to protect the Senator from Nebraska.

Mr. KEM. Mr. President, for the purpose of keeping the record straight, at the time the name of Mr. Dean Acheson came before the Senate for confirmation as Secretary of State, other Senators had reached the conclusion which the Senator from Nebraska had reached as to his fitness for high office, and joined him in opposing his confirmation at that time.

Mr. WHERRY. That is correct.

Mr. LUCAS. A small minority.

Mr. WHERRY. Mr. President, have all the questions been asked?

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Will the Senator from Missouri kindly address the Chair?

Mr. DONNELL. I thought I said "Mr. President."

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. WHERRY. I yield.

Mr. DONNELL. I certainly understood that I addressed the Chair. I think the notes of the Official Reporter will show it. At any rate, if I did not, I do now.

The PRESIDING OFFICER. The Chair did not understand.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. DONNELL. Attention is being called to the fact that in the Constitution of the United States the only power for the disposal of property which exists is vested in Congress. Does the Senator agree that it would be well if our foreign visitors were acquainted not only with that provision of the Constitution, but further, with the fact that the power of the President to make treaties is limited by the provision that such power is "by and with the advice and consent of the Senate," and by the further provision, "provided two-thirds of the Senators present concur?"

Mr. WHERRY. I thank the Senator for that observation. I totally agree with him.

To show the abuse of power by the Executive during the past 16 years, I invite the attention of the Senate to the minority views which were submitted by the distinguished then acting majority leader, Wallace White, of Maine, with respect to the St. Lawrence seaway. When the Senator from Maine reviewed the Executive orders which had been made, which he felt should come before the Senate for its consideration, as I recall, there were more than 200 of them. I cannot give the exact figure at this time. I ask unanimous consent to be permitted to supply it for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. I shall supply for the RECORD information as to the total number of executive agreements which were entered into, which Senator White thought should have come before the Senate for ratification. During the 4 years prior to the time when Senator White left office, of the executive agreements which were made, only 31—most of them minor—ever came before the Senate for ratification. It is a very good point; and I think once again it should be called to the attention of all Members of the Senate, and the American people, that while it is true that the executive branch negotiates treaties, and that is its responsibility, yet it should always keep in mind that the treaties must be ratified by and with the advice and consent of the Senate. That is a constitutional prerogative which we should never surrender to

any Executive, regardless of who happens to be in that particular office.

The list of executive agreements referred to is as follows:

TREATY OR EXECUTIVE AGREEMENT?

Above all other questions which may arise in connection with this project, I urge this committee to thoughtfully consider whether this agreement of 1941 and the subsequent and implementing resolution before it, may be constitutionally employed as an alternative to a treaty submitted to the Senate for its ratification.

The growing resort in late years of the State Department to agreements, so-called, in the stead of treaties to be ratified by the Senate, in itself demands the consideration of this committee, for it marks a bold assertion of Executive authority and of waning Senate importance in the foreign field. From 1940 to 1944, inclusive, there have been but 38 treaties submitted to the Senate as against 256 agreements, of which we have knowledge, not submitted to the Senate. This tendency warns that we of the Senate must assert our rights in this field, or we shall be guilty of acquiescence in their loss.

History and practice distinguish between treaties and agreements. Our Constitution provides for treaties. It is silent as to agreements save those which our States are permitted to enter into with consent of the Congress. I do not propose to argue this technical question. I do urge this full committee to give it study before we sanction further abandonment of the Senate's constitutional powers. In this connection, I call attention to the long and patient study given this subject by the Commerce Committee of the Senate and its formal conclusion that certain aviation agreements should have been submitted to the Senate as treaties to be considered and ratified as such; that any Executive agreements purporting to grant to a foreign country the right to have air lines nominated by it to operate to or from United States territory without hearings as provided for in the Civil Aeronautic Acts, were illegal and void and that this Government is not bound by such agreements so long as they have not been ratified as treaties. The Foreign Relations Committee of the Senate may well heed this opinion of the Commerce Committee expressed in formal resolution.

I would concede that there are Executive agreements which do not require Senate ratification but authority for which reposes in the Presidential office. Such are agreements made as the diplomatic representative of the United States. As Commander in Chief, the President may enter into armistice and military protocols and arrangements. He may adjust claims against foreign states. Such agreements are generally temporary in time and of relatively minor importance. I do not attempt a more definite statement of what agreements the President may enter into by virtue of his constitutional authorities for manifestly the present agreement is not such an arrangement. It is conceded that at least congressional approval is required.

There is also a class of agreements which the President may enter into under express congressional authorization. This right rests in practice not challenged rather than in express constitutional sanction. In this class of agreements, the President acts as the agent of the Congress and not as an independent Executive. There are many examples of this type of agreement. International organizations such as postal agreements, UN, ILO, UNRRA, food and agricultural organizations, Bretton Woods, reciprocal tariffs, are all within this class. As to some of these the Senate waived its functions.

There is, however, no constitutional warrant for an Executive agreement subject to later congressional approval. It is sometimes thoughtlessly contended that if the President may enter into agreements with congressional approval first given, the Congress may approve an agreement already made by the President without its sanction. The answer to this argument is, that the latter procedure is an exercise of the treaty-making power and Congress cannot be substituted for the Senate by the mere calling of the original instrument an Executive agreement instead of a treaty. The State Department cannot take from the Senate its constitutional rights by calling a treaty something else.

I insist that a project calling for the expenditure of hundreds of millions of dollars, which it will take from 4 to 6 years to complete; which involves long-term obligations by both governments; which gives to each government sovereign rights in the other country, is by every test a treaty and not an agreement and always heretofore, the President and the Senate have held this view. Now we witness the challenge by an executive department of the constitutional right of the Senate of ratification, and in its stead, acceptance of this new theory that the President may enter into agreements of any and every nature with foreign governments and that Congress may by majority vote give its consent thereto and effectuate the same. In what is here proposed is bold evasion of constitutional procedure, and the elimination of the Senate as a part of the treaty-making power under our Constitution. It is an effort to accomplish by indirection what the Senate has twice refused to sanction, first by refusing consent to the proposal in treaty form and later by rejection of an amendment to a river and harbor bill.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WHERRY. I am glad to yield.

Mr. DONNELL. Am I correct in understanding the Senator to say that the remarks of the distinguished former Senator from Maine were incorporated in a minority report, which was made an official record of the Senate?

Mr. WHERRY. That is correct. The report had reference to the legislation asking for an authorization to develop the St. Lawrence seaway. It will be recalled that at that time the executive branch attempted to get it by other means than a treaty. Senator White took the position that negotiations with respect to that river between the United States and Canada should be in the form of a treaty, and not an executive agreement. He made one of the finest speeches to which I have ever listened. Senator Wallace White was a very thorough man. While he had his party affiliations, I think I can truthfully say that he was beloved by Members on both sides of the aisle. He went into that question very thoroughly.

Mr. President, all I arose to do was to serve notice to the visiting officials not to let our representatives tell them that the United States could be bound by reason of a so-called moral commitment. The discussion went from that question to the question of treaties, which, of course, hinge on moral commitments. I have no quarrel with the President so far as the negotiation of treaties is concerned. He can negotiate any treaty he wishes. That is his prerogative. But it should be negotiated with the full knowledge on the part of the countries with which it is negotiated that it still must be ratified by and with the advice and consent of the Senate.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WHERRY. I yield.

Mr. DONNELL. Does the Senator believe that the President has any power or right, either legally or morally, to commit this Nation morally when he cannot do so constitutionally?

Mr. WHERRY. I do not. I am of the firm belief that he has no such power.

INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENTS IN DISAGREEMENT

The Senate resumed the consideration of the motion of Mr. DOUGLAS to reconsider the vote by which the House amendment to Senate amendment No. 46 to House bill 4177, the independent offices appropriation bill, was agreed to.

Mr. IVES obtained the floor.

Mr. HILL. Mr. President, will the Senator from New York yield to me for the purpose of suggesting the absence of a quorum?

Mr. IVES. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hill | Millikin |
| Baldwin | Holland | Morse |
| Bricker | Humphrey | Mundt |
| Bridges | Hunt | Murray |
| Byrd | Ives | Neely |
| Cain | Jenner | O'Mahoney |
| Chavez | Johnson, Colo. | Reed |
| Connally | Johnson, Tex. | Robertson |
| Cordon | Johnston, S. C. | Russell |
| Donnell | Kefauver | Saltonstall |
| Douglas | Kem | Schoeppel |
| Dulles | Kerr | Smith, N. J. |
| Eastland | Knowland | Sparkman |
| Ecton | Langer | Stennis |
| Ellender | Lucas | Taylor |
| Ferguson | McCarthy | Thomas, Okla. |
| Flanders | McClellan | Thomas, Utah |
| Fulbright | McFarland | Tobey |
| George | McGrath | Tydings |
| Gillette | McKellar | Vandenberg |
| Graham | McMahon | Watkins |
| Green | Magnuson | Wherry |
| Gurney | Malone | Williams |
| Hayden | Martin | Withers |
| Hendrickson | Maybank | Young |
| Hickenlooper | Miller | |

The PRESIDING OFFICER (Mr. TAYLOR in the chair). A quorum is present.

The Senator from New York has the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. O'MAHONEY. Do I correctly understand that the Senator from New York is about to speak upon the disputed amendment No. 46 in the conference report on the Independent Offices Appropriation bill which deals with the appropriation for the Housing Expediter?

Mr. IVES. Yes; that being the immediately pending question, and I shall endeavor to be as germane as possible in my remarks.

Mr. O'MAHONEY. May I ask the Senator from New York how much time he expects to take?

Mr. IVES. I shall be just as brief as I can; but there are several things which I should like to get into the RECORD, and also a few comments which I should like

to make, applicable to the pending motion.

Does the Senator from Wyoming desire to have me yield while he reads a statement he has received from the Director of the Bureau of the Budget?

Mr. O'MAHONEY. Mr. President, I was trying to make up my mind whether I should immediately attempt to obtain a unanimous-consent agreement; but the Senator from New York is so persuasive that I am inclined to believe I had better desist until he has completed his statement. I shall wait until after the Senator from New York finishes his statement, before attempting to take the floor.

Mr. IVES. Mr. President, I appreciate very much the kind sentiment expressed by the Senator from Wyoming; but if he will merely look at the record, he will find that the Senator from New York is not always so persuasive as he would indicate.

Mr. President, I shall be as brief as possible, because I realize that in this particular instance the element of time is involved. I desire to point out that there are a number of matters which seem to me to be of overwhelming importance in the consideration of rent-control legislation with which we are now faced in this appropriation bill. I think the question raised last Friday cleared up rather thoroughly one important point, and I know the distinguished Senator from Wyoming has in his possession a further communication on the subject verifying this statement. It is, that by no stretch of the imagination can the Congress, in any way, shape, or manner, agree, in anticipation of a budget deficit, that it will make up that deficit, nor can it even condone in advance such a deficit. I think that was cleared up last week beyond the peradventure of a doubt. In connection with the appropriation for the Housing Expediter, under amendment 46, which was left finally at $17,500,000, it is obvious that, spaced evenly over a 12-month period such an appropriation would be inadequate, at least at the present time, on a month-to-month basis. The question, therefore, arises whether that should be left, or whether an attempt should be made to increase the amount by at least the $4,000,000-plus by which the appropriation provided by the Senate was reduced by the conferees. I am now referring to the $21,667,500, which was reduced by the conferees to $17,500,000.

I realize the House is virtually not in session. I realize that, were we to take action of the kind I am indicating, we might reach an impasse in the Congress which would make it virtually impossible, at least for the time being, to reach the goal we are trying to reach, which is to provide sufficient money for the proper administration of the rent control law. Yet I am wondering, even though that situation might occur in the immediate future, whether such an attempt would not be worth while. After all is said and done, we have a rent-control law; and I am very sure every Member of the Congress who voted for it did so honestly, expecting it would be executed and that its provisions would be enforced. I am sure no Member of Congress, either in the Senate or in the House, would condone any procedure by which, through lack of appropriation, the intent, the purpose, the provisions of the law would be completely sabotaged insofar as their effect is concerned. The law thereby would prove futile and worthless. To appropriate inadequate funds is not a very good way to repeal laws or to amend them.

Not so long ago when the Senate was considering another appropriation bill it was proposed to reduce the appropriation for maritime training. Regardless of the merits or maritime training—and I do not want to become extraneous in my remarks—the effect of such reduction would have been substantially to have eliminated maritime training in this country. That is not the proper way to legislate. If maritime training should be eliminated, we should pass a substantive law to eliminate it, or if it should be curtailed, a sufficient appropriation should be authorized to permit the program to proceed on a smaller scale. The same is true of rent control. If rent control is undesirable, if decontrol should be brought about more rapidly, then we should enact substantive legislation providing the machinery by which to do it. But the process which has been followed in this particular instance, and which as I see it leaves with the Housing Expediter almost no choice at all, places the Congress in a very unfortunate position.

At this point I should like to read several editorials. They are not long, but I think they are of sufficient moment to deserve attention by Members of the Senate at this time. From Saturday's New York Times I read an editorial entitled "Decontrol by Subterfuge," as follows:

DECONTROL BY SUBTERFUGE

Last March Congress passed, and President Truman signed, a bill extending Federal rent controls for another 15 months. Now it appears that Congress has moved, by indirection and almost unnoticed so far as the general public is concerned, to repeal one-third of the law. That is the essential fact behind the statement this week by Tighe E. Woods, national housing expediter, that he has decided to decontrol one-third of the Nation's rent-control areas.

How did this action in the House and Senate come about? Did the two chambers reconsider the law passed 5 months ago, and decide, after discussion and debate, that in the light, perhaps, of changed conditions or some new development, the geographical scope of the measure should be reduced by one-third? Not at all. Such action would have involved legislation that would have to go to the President for his signature. No, nothing like this has occurred. What has transpired has been a new and illuminating example of legislation by appropriation. After having voted the rent control law, Congress has moved to nullify a substantial part of it through a House amendment to the independent offices appropriation. The Housing Expediter asked originally for $26,750,000 to carry out his task. This figure was reduced by the Senate to $21,667,000. House conferees would not approve the latter figure. The House subsequently accepted an amendment placing an arbitrary ceiling of $17,500,000. For reasons not yet clear the Senate rubber-stamped this action of the House. Faced with a choice of maintaining a mere token control of rents throughout the entire country or reducing his field of activity by one-third, Expediter Woods has adopted the second alternative.

Senator DOUGLAS has offered a motion to reconsider the ill-advised or inadvertent action on this matter. It is to be hoped, for the sake of its own self-respect, that the Senate will seize this opportunity.

I have similar editorials from the New York Herald Tribune and the Washington Post, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of August 19, 1949]

THREAT TO RENT CONTROL

Housing Expediter Tighe Woods is an unhappy man. The intentions of Congress were not too plain in the first place. Whether the Nation was committed to a continuation of rent controls or an easing philosophy of decontrol remained obscure. At any rate, the vexatious problem was dumped into Mr. Woods' lap. If the States chose to decontrol, that was well and good. Otherwise the Federal authority was left as a sort of scientific Solomon on a million fronts to ascertain economic truth and apply the formula of fair net operating income. Here in New York the anguish is already quite pronounced, as is evidenced by Mr. Sharkey's efforts in the city council and the various imploring calls for action by the State legislature.

But the dilemma facing Mr. Woods is sharp and immediate. After originally asking for $26,000,000 to administer a system which was neither fish nor fowl, the Woods budget was cut to $21,000,000 in the Senate and finally emerged from congressional joint conference at $17,000,000. Now the Housing Expediter, in perplexed desperation, says the job cannot be done on such short rations. The choice, as Mr. Woods sees it, is either to spread his assignment thin to the point of futility or else boldly to decontrol by one-third and concentrate on the remaining areas of greatest need. The decision, at least for the moment, is to cut back. One-third of the Nation will need to depend on a free market in housing which is still far from accomplishment.

Congress has acted uncertainly again. Just as it declined to assume precise responsibility last spring, the present decision assumes that $17,000,000 worth of rent control is worth having, but no more. The greater likelihood is that we shall have not even that much. As the Federal scope and organization are reduced, the efficiency of enforcement is bound to decline. Controls are basically undesirable, but the necessity remains until new housing is placed in general reach.

The wisdom of knocking out such a large portion of the rent-control props is questionable. Already Senator DOUGLAS is advocating reconsideration. Before Congress again takes hasty and premature action against rent control, let us have some serious second thoughts about the consequences. If we are to continue Federal controls, then there should be every determination to make them mean something to millions of rent payers. This is no point for the slap-dash token of economy that really saves nothing.

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[From the Washington Post of August 19, 1949]

SNEAK LEGISLATION

A sorry piece of legislative trickery has been slipped over on the Nation's renters—and, presumably, on most Members of Congress themselves. This consists of a crippling cut in the appropriation for the Office of the Housing Expediter, the agency administering

rent control. The cut was engineered, not openly, but in a House amendment to the independent offices appropriation that crept in almost unnoticed. The result is that the Housing Expediter must dismiss nearly half his employees and decontrol one-third of the country's rent areas in order to maintain effective controls in the remainder.

If Congress had decided openly to end rent control, that would be one thing. But such is not the case. Less than 5 months ago Congress passed a new rent-control law, strengthening the old law in some respects but qualifying it with local option and a proviso for a "fair net operating income" for landlords. Application of the "fair income" formula increased the work load of OHE offices from 30 to 50 percent, and there was a tacit understanding with Congress that the Housing Expediter would be given the employees necessary to do the job. As a matter of fact, several hundred areas have been decontrolled, either by local action or by the Expediter, since the new law took effect; thus, there is strong need for rent control in the remaining areas affected by the cut.

It is clear in the law that Congress intended to continue rent control. What has happened is the old and nefarious practice of legislation by appropriation. Originally the Housing Expediter asked for $26,750,000. The Senate Appropriations Committee approved $24,075,000, and this was cut on the floor to $21,667,000. House conferees refused to agree to this figure, and later the House adopted an amendment limiting the sum to $17,500,000. In what must have been a spurt of confusion, the Senate agreed to this figure.

Senator DOUGLAS has offered a motion to reconsider the Senate action which will be taken up today. We do not see how Senators who realize the consequences of this backhanded legislation can fail to support his motion.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. IVES. If the Senator will allow me to finish reading the editorials, I shall be glad to yield. I have some comment to make on the editorials.

Mr. O'MAHONEY. On the editorials?

Mr. IVES. That is correct.

Mr. O'MAHONEY. I should like to make a little comment.

Mr. IVES. This morning's Herald Tribune carries an editorial which I shall not read because it covers other matters not relating to the immediate question, but it contains statements which I think I should read for the RECORD. It is important that the entire editorial be placed in the RECORD at this point. The editorial is headed "Landlord's case," and the portion I desire to read is the following:

THE LANDLORD'S CASE

A shortage of personnel and funds makes it likely that effective rent control will be undermined in many areas. To achieve relaxation by default, to modify established curbs by depriving the administrative agency of tools to carry out its allotted task, seems a muddled and undignified way for a government to act; nor can there be any doubt but that premature freeing of rents can work the gravest hardships in many individual cases. But no one has argued for indefinite extension of such controls; and their progressive removal will be accompanied by all the benefits which go with a restoration of freedom in an important sector of the economy. * * *

I ask unanimous consent to have the remainder of the editorial placed in the RECORD at this point in my remarks.

There being no objection, the remainder of the editorial was ordered to be printed in the RECORD, as follows:

These benefits were summed up by a group of landlords, answering queries of the real-estate editor in Sunday's edition of this paper. The landlords do have a case; it is well that it should be stated at this juncture without exaggeration and with the long-range interests of the public in mind.

The disadvantage to tenants in a continued refusal to permit adjustments in present rent levels was stressed by these realty and business leaders. The situation of France is often cited as an example of the hardships which result when the return on investments is too small to permit proper repairs and maintenance of buildings. This is evidence of an extreme kind; but it does indicate a danger to which tenants in our own country can become exposed. Apart from the question of repair and upkeep, rent ceilings were claimed to discourage building in general. Among those queried, there was a tendency to believe that public housing was a greater deterrent to private building than low ceilings; but public housing itself is in part an answer to the lag in private construction, and that lag, in turn, is explained by the fear of being unable to get a fair return on investment. The chain of cause and effect is thus seen to be circular: a shortage of housing incites rent controls; rent controls increase the shortage. The effect of the spiral is to stimulate Government intervention at every turn, forming a web from which there seems no way of extricating ourselves.

But the way to extricate ourselves, according to these spokesmen, is simple: it is to remove rent ceilings. The time will come—and should come in the near future—when there will be no further case for ceilings; meanwhile there is some recognition among realty leaders that the lower-income groups present a special case. The difference of opinion in this field is, therefore, being narrowed, and all concerned should soon be able to admit that in the free determination of rents there are human as well as economic gains.

Mr. IVES. That is an editorial from this morning's New York Herald Tribune. I think it expresses the feeling which is shared by nearly everyone. No one wants to be unreasonable. I do not agree fully with the editorial which I read from the New York Times. I am sure that, judging from later statements, which have come from the Housing Expediter, he does not contemplate decontrolling one-third of controlled areas all at once. As I understand, his latest idea is to try to handle as much as possible, leaving it to local authorities to police and carry out decontrol in cases in which he is unable to do so because of lack of administrative machinery or of personnel. But that does not alter the present situation.

I should like to read for the RECORD at this point some statistics from the New York office. Before doing so, however, I yield to the distinguished Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I wanted to make a brief comment upon the editorials which the Senator from New York just read, particularly the one from the New York Times which he first read. I make this comment as one who, in the committee, has sought to obtain for the Housing Expediter the full amount of the budget estimate and who, having failed in the Committee on Appropriations, then on the floor resisted the motion to make a further cut. I was unsuccessful in that defense of the funds. I say these things merely to make it clear that I am one of those who believe that we should give the Housing Expediter all the money necessary to carry out the obligations of law which were imposed on him by action of the Congress.

Mr. IVES. Mr. President, the Senator from New York desires to point out that he was among those who strenuously resisted the amendment offered on the floor to reduce the appropriation.

Mr. O'MAHONEY. I am glad to make a note of that, Mr. President.

But the difficulty with which we are confronted, regardless of the mistake of the editorial writer, is that Mr. Woods jumped to the conclusion that Congress had acted before it had finally acted, and, second, jumped to the conclusion that it would be necessary for him to lift controls from one-third of the areas immediately. It was not necessary. Mr. Woods realizes now that it was not necessary. He announced to the public that he would be obliged to lift controls immediately. He was not so obliged.

I thought I made it clear in the debate last Friday that the appropriation of $17,500,000 may be so apportioned over the whole year, within the meaning of the antideficiency law, that this operation may continue. The committees of Congress did nothing unusual as the editorial would imply. The conferees met and came to an agreement. The conference report was accepted in the House and then it was accepted in the Senate. That is all that happened. The conferees were of the opinion that rent control is a diminishing activity and that $17,500,000 would be sufficient to carry through the fiscal year operations which are gradually declining.

Personally, I did not agree with that point of view, because I felt that in great cities such as the city of New York, the city of Chicago, and the city of Boston, housing probably would not be constructed rapidly enough to enable rent control to be lifted. I may have been incorrect in that idea. Those who took the other view may have been wrong. There is no reason under heaven why, next January, if either one of us was wrong, Congress may not make the necessary correction. That is the whole situation.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. IVES. The Senator from New York would like to answer the Senator from Wyoming, first, and then he will yield.

The Senator from New York would like to point out that the very point the able Senator from Wyoming has emphasized in this particular instance was covered very thoroughly last Friday afternoon in the Chamber. The Senator from New York most definitely gathered that the Congress, in no way, shape, or manner, can indicate to the Housing Expediter that he can count on the Congress for one penny if he exceeds his

appropriation during the coming fiscal year. He can ask for any amount he desires. That is always possible, and is quite customary, as a matter of fact, among administrative agencies. But he cannot count on it. Furthermore, because of the colloquy which was entered into between the distinguished Senator from Wyoming and the distinguished Senator from California [Mr. KNOWLAND] it was very clearly shown on the floor that he would not only not be expected to come back to Congress with any such request, but that, absolutely, he could not count, in any way, shape, or manner on Congress doing anything in line with meeting such a request.

Mr. O'MAHONEY. I disagree.

Mr. IVES. That is what I understood from the colloquy.

Mr. O'MAHONEY. That is not the conclusion to be drawn from that colloquy; but whether it is or not, I say the facts are otherwise, as proved over and over again by the experience of the Congress. Supplemental appropriations are made over and over again when the facts show that they are warranted. All I say now, and all I said last Friday, is that there will not be no violation of the antideficiency law if the Housing Expediter, with the approval of the Bureau of the Budget, so distributes the $17,500,000 that he can continue his operations, let us say, during the first 6 months of the year, at a high level, and distributes the balance so that the tapering off may be adjusted. But if at the end of the 6 months' period, let us say, or any period, it then becomes clear that my reason of a lack of money to enforce the law, rent control will have to be lifted where it should not be lifted, then certainly the Congress of the United States is within its power and within its right in making another appropriation.

Mr. IVES. Mr. President, the Senator from New York never intended to convey the idea that Congress could not make another appropriation or any amount of appropriations any time it might see fit to do so. What the Senator from New York was trying to emphasize was that the Housing Expediter cannot count with any definiteness on an appropriation if he follows that process.

Mr. O'MAHONEY. Yes. He does not definitely know, and cannot know until next January, what his needs will be.

Mr. IVES. It is very likely true that he does not know what his needs will be, but he does know the amount of money which he can use, because it is $17,500,000. If I were in the position of the Housing Expediter, with the warning he received in this Chamber last Friday afternoon, which made quite an impression on me, I think I would cut the $17,500,000 into 12 parts and operate on that basis. The only way he could do otherwise would be in anticipation either that the demand for rent control is going to drop, which of course it may, or if it does not drop, that Congress will appropriate more money. In either case he is taking a wild chance.

Mr. O'MAHONEY. There is a contingency which the Senator has left out of consideration, namely, that the need for rent control may decline.

Mr. IVES. That is what I meant. That was one of my alternatives.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator from New York undoubtedly knows that a number of States have taken over rent control. The State of Wisconsin has taken over the burden of rent control, which means that the Expediter has the money which he would normally spend in my State to use in his over-all program. Does the Senator know how many States have done likewise, and whether Mr. Woods has reduced his request or has indicated that he needs less money because of that particular situation?

Mr. IVES. The Senator from New York is not advised regarding that matter at all, but he would observe that he thinks Mr. Woods would be very foolish at this particular stage of the matter to be reducing his activities or laying off members of the staff any more than he might have to do in order to conform to the appropriation allowed him, because no one knows how many States will be controlled. It is conceivable that they may all take over the matter themselves. It may be conceivable that some States which have not already done so will do so.

Mr. McCARTHY. I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. DOUGLAS. According to my information four States have adopted decontrol measures. Only one of the States, Wisconsin, has, however, a decontrol measure already in effect. I think it went into effect on the 5th of this month. The decontrol measure in the State of Nebraska will go into effect on the first of November; in Texas, on the 19th of October, and in Alabama on May 25, next year.

Mr. McCARTHY. That should almost automatically reduce the request of Mr. Woods but about one-twelfth.

Mr. IVES. The Senator from New York does not know the total population in the States involved, and, what is more important, the total amount of controlled rental property in the States involved. I should not care to estimate, even to hazard a guess, in that connection, but I doubt very much whether it would come to one-twelfth, when we consider some of the vast areas.

Mr. O'MAHONEY. Mr. President——

Mr. IVES. The Senator from New York would like to get something in the RECORD at this point; but if the Senator from Wyoming wishes to put in the letter to which he has referred, he can insert it in my remarks.

Mr. O'MAHONEY. Mr. President, in order to clarify the situation, I ask that the clerk may read a letter from the Director of the Bureau of the Budget, which I send to the desk.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., August 22, 1949.*

HON. JOSEPH C. O'MAHONEY,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR O'MAHONEY: This letter will confirm the telephone conversations which you have had with representatives of the Bureau concerning appropriations for the Office of the Housing Expediter for the fiscal year 1950.

Informal consultation has been held with staff of the Housing Expediter and a review has been made of the records available in the Bureau of the Budget. The Budget estimate of $26,750,000 forwarded to the Senate committee represented a conservative approach to the probable number of employees required for effective operation of the present Rent Control Act, particularly in the light of little operating experience with the formula therein contained. The estimate also represented a conservative rate of decontrol as a result of non-Federal action. If the rate of decontrol exceeds that estimated and if operation of the formula proceeds smoothly, the Bureau agrees that it may become possible to operate the program on a declining scale from month to month.

On the basis of present estimates, the Office of the Housing Expediter will require until approximately October 1 to reduce its expenditures to a rate of $1,900,000 per month. To go below such a figure at this time, in our judgment, would be inappropriate and would prevent the intended scale of operation of the rent control law. Accordingly, and in the light of statements made by you to the Senate on August 19, 1949, and appearing in the CONGRESSIONAL RECORD on page 11846 and following, the Bureau of the Budget would be willing to approve unequal apportionments of the appropriation made available to the Office of the Housing Expediter. This action would be taken with the understanding that if subsequent events made it impossible to adopt a rapidly declining scale of operations which, in turn, would make it possible to keep within an annual appropriation of $17,500,000, the committees of the Congress will entertain and give consideration to a supplemental estimate of appropriation.

A copy of this letter is being sent to the Honorable ALBERT THOMAS, chairman of the Independent Offices Subcommittee on Appropriations, House of Representatives, to whom I am also sending a copy for the use of the chairman of the House committee. I shall appreciate it if you will advise the chairman of the Senate committee, for whom I am also attaching a copy.

Sincerely yours,
FRANK PACE, Jr., *Director.*

Mr. IVES. Mr. President, my reason for being glad to have the letter read into the RECORD at this point is that it bears out what I have been contending right along, namely, that, while the Budget Director may himself indicate to the Housing Expediter that subsequently in the year he may be able to cut month by month the amount of the appropriation he will be using, at the present level required, the amount would, on the basis of the 12 months, greatly exceed the total appropriation of $17,500,000 which has been allowed him. As a matter of fact, it will come nearer $23,000,000, if I have added the figures correctly.

If Senators noticed the closing part of the letter, in which the Budget Director

indicated that he could come to the Senate—which of course would entertain requests for additional or new appropriations for the purpose—they will realize that it all goes to show that there is no guaranty anywhere along the line that the needed money will be forthcoming from any source whatever. It is all speculation.

Now let me give the other side of the picture.

Mr. O'MAHONEY. Mr. President——

Mr. IVES. The Senator from New York would like now to finish up for this side, and then the Senator from Wyoming will have something else to discuss.

We have been hearing right along that the cost of the administration of rent control has been dropping. Of course it has in certain areas. It has been pointed out already here today that four States have decontrolled, at least so far as the Federal Government is concerned. But the fact remains that there are important areas where the cost is rising because of the type of act which we passed earlier this year.

I now wish to read some figures regarding the New York City office of the Housing Expediter. This information was furnished by the general counsel's office this morning by telephone, and it is rather illuminating as to the opposite direction the administration is taking when it comes to the need for funds. The statement shows the following facts:

| | |
|---|---|
| Landlords' petitions for adjustment filed: | |
| For 4 months prior to Apr. 1, 1949 | 12,473 |
| For 4 months subsequent to Apr. 1, 1949 | 23,008 |

That is, up to the first of this month. I continue with the information furnished:

| | |
|---|---|
| Landlords' petitions processed: | |
| For 4 months prior to Apr. 1, 1949 | 13,282 |
| For 4 months subsequent to Apr. 1, 1949 | 14,385 |
| Landlords' petitions pending: | |
| Apr. 1, 1949 | 6,619 |
| Aug. 1, 1949 | 15,170 |

Then we come to the tenants. Up to now I have been talking about the landlords, the property owners. They are the ones who are getting hit because of the action proposed to taken. Now we come to the tenants' petitions for adjustment which were filed:

| | |
|---|---|
| Tenants' petitions for adjustment filed: | |
| For 4 months prior to Apr. 1, 1949 | 9,444 |
| For 4 months subsequent to Apr. 1, 1949 | 14,694 |
| Tenants' petitions processed: | |
| For 4 months prior to Apr. 1, 1949 | 8,674 |
| For 4 months subsequent to Apr. 1, 1949 | 12,521 |
| Tenants' petitions pending: | |
| Apr. 1, 1949 | 4,199 |
| Aug. 1, 1949 | 6,372 |

I now come to another new feature which did not exist prior to the present rent-control law, namely, the eviction notices. I continue with the information furnished by the general counsel's office:

| | |
|---|---|
| Eviction notices issued for 4 months subsequent to Apr. 1, 1949 | 19,214 |

No comparable figures are available for the 4 months prior to April 1 because there was no provision in the old law that permitted the Housing Expediter to issue eviction notices.

| | |
|---|---|
| Petitions for eviction certificates filed for 4 months subsequent to Apr. 1, 1949 | 2,554 |

No comparable figures are available for the 4 months prior to April 1 because there was no provision in the old law that permitted the Housing Expediter to issue eviction notices.

We have all that additional and new work, which has to be carried on by these offices, something which I do not believe has been considered to any great extent by those who figure that now we are in the process of eliminating rent control, and eliminating the need for any appropriation so far as rent control is concerned.

Mr. President, I realize that, insofar as rent control itself is concerned, the time must come, sooner or later, when it will have to be dropped, if we are to have a free economy. We cannot permanently have Government control in the heart of private enterprise and have a free economy. That time, however, has not yet arrived. We are still in an emergency situation in some of our largest industrial and urban areas. Rent control must be continued somewhat longer—at least until the time when the present law expires next year.

To my way of thinking, in the light of increasing costs in these areas, in the light of the fact that there is no guaranty whatever that any increased appropriation will be forthcoming from Congress at the next session or at any other time, the thing to do now is to reconsider the vote on amendment No. 46, and provide in the bill a sufficient amount of money to bring the total back to $21,667,500, and send the bill back to the conferees. If the Members of the House have gone home, then, if the situation is as I am now picturing it, the House Members would be aware of that situation and, I am sure would be convinced that the situation is sufficiently serious to call for their return, at which time we can properly deal with the matter. But if, in the opinion of Members of the House, the situation is not so serious as I have pictured it, and if they refuse to come back, then later we can take whatever action it may be necessary to take.

Mr. President, we should deal with this situation realistically—I will not say honestly, because all who have been connected with this matter have acted honestly, and I pay great tribute to the distinguished Senator from Wyoming, who, beyond question, has done a very fine piece of work in handling the matter. It seems to me that realism demands what we should do at this time. So with that thought I conclude my remarks and yield if the distinguished Senator from Wyoming desires to ask any other question.

Mr. O'MAHONEY. Mr. President, I merely wish to announce what I would like to do realistically. The Senator from Wyoming has been through this battle on numerous previous occasions. There is a legislative routine, there is a legislative procedure, which has the support of long experience over many years. I say to those who believe as I do that the appropriation is not sufficient, that we will not serve our own interests or the interests of the Expediter if we seek now to increase the appropriation, because, first, there is the fact that the conferees upon the part of the House clearly indicated during the conference their belief that the operation would be tapering off to such a degree that $17,500,000, would in all probability cover the needs. They were willing, of course, to allow the Housing Expediter and the Bureau of the Budget——

Mr. IVES. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. IVES. Did the conferees take into consideration the fact that work loads, and thereby administrative costs are increasing in some areas as I have indicated; increasing not slightly, but in some places increasing substantially, as much as 50 percent, for some phases of the work?

Mr. O'MAHONEY. I think the House conferees are as familiar with this problem as any other members of the conference. I will say for the House conferees that they met the Senate conferees in the most reasonable frame of mind upon all the various items included in the bill. I call the attention of the Senate to the fact that at least 33 different agencies of government and government corporations are included in this measure, all of them with the obligation to discharge the responsibility placed upon them by law. They are being held up, they are being held in this uncertain attitude, because we have been unable to pass certain appropriation bills. The desire upon the part of the conferees was to get this particular bill passed and on the statute books so that it would be unnecessary for Congress to continue to pass continuing joint resolutions.

As pointed out Friday, the continuing joint resolution which the Congress enacted last week, because of the failure of the civil functions bill, the Interior Department bill, the national defense bill and the independent offices bill to reach the status of enacted law, does not cover the Housing Expediter. That happened by reason of the fact that, as the continuing joint resolution was written, it provided only for those agencies for which there was an appropriation for the fiscal year 1949. The continuing joint resolution allowed these various agencies of Government to continue to function at the smallest rate provided in the appropriation. So, Mr. President, since there is no appropriation to carry on the work of the Housing Expediter, unless we repair that difficulty here, the Housing Expediter will be without any funds at all. We will not be worrying about whether $17,500,000 is enough. We will be worrying about the fact that there is not any appropriation.

So, Mr. President, I have requested that the Senate reconsider the vote, so the ratification resolution which I

had read into the RECORD last Friday may be adopted, and the Housing Expediter may thereby become a functioning institution with funds from the Treasury, and then that having been adopted, I shall urge my friends, such as the Senator from New York [Mr. IVES] and the Senator from Illinois [Mr. DOUGLAS], who are so much disturbed about this lack of appropriation, to refrain from asking an increase, because I say to them: Let us realistically recognize the situation which exists.

Members of the House have been going home, the newspapers tell us, at the rate of 20 a day. There is no quorum today in all probability, or will not be tomorrow if there is today, in the House of Representatives. Therefore we will have to legislate by what amounts to unanimous consent. So I say to my friends who want to support the Housing Expediter: Do not put him in greater jeopardy than he is now, because the record is clear that the antideficiency law permits the Bureau of the Budget to distribute the appropriation throughout the fiscal year, and the Bureau of the Budget has indicated by the letter which I have had read from the desk, that it is willing during the first 6 months of the year to provide the Expediter with an allocation under the law which will not make it necessary for him to lift rent controls prematurely, but which will allow him to adjust the operations to what may be and what in all probability will continue to be the tapering off of this necessity. I say to the Senate that there is not the slightest doubt in my mind—though I can give no guaranty—if rent control is in such a situation that in November, December, or January, it is becoming clear that we have made a mistake in our estimates, if the facts are then shown, the Congress of the United States will decide that it will not repeal the Rent Control Act by denying funds to carry it out.

Mr. IVES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KERR in the chair) Does the Senator from Wyoming yield to the Senator from New York?

Mr. O'MAHONEY. I yield.

Mr. IVES. I wonder if the distinguished Senator from Wyoming himself would be willing to go on record at this time as indicating his pledge and willingness to espouse an increase in the appropriation, or a new appropriation when the next session of the Eighty-first Congress convenes, assuming that the current appropriation for the present fiscal year proves to be inadequate or will not carry through to the extent desired. Would the Senator from Wyoming be willing to champion a cause of that kind to get an additional appropriation?

Mr. O'MAHONEY. Of course. I said last Friday that I had consulted the chairman of the House conferees in order that I might be able to report to the Senate. He also agrees. I say, in announcing that agreement, that neither Representative THOMAS of Texas nor the Senator from Wyoming is inviting the Housing Expediter to incur a deficiency. Not at all. But we do say—and this was the view of the conferees, without division either by way of party alinement or by way of alinement between the Houses—that if $17,500,000 is not sufficient to carry on the necessary functions, of course we will entertain and support an appropriation enabling the Housing Expediter to execute the express provisions of the law.

Mr. IVES. Mr. President, will the Senator yield for one further question?

Mr. O'MAHONEY. Certainly.

Mr. IVES. The Senator from New York would like to ask the distinguished Senator from Wyoming if he would be adverse in any way to any effort which might be made to discourage the housing expediter from utilizing such funds as the Housing Expediter might believe to be necessary under those circumstances.

Mr. O'MAHONEY. All I want the Housing Expediter to do is to operate within the appropriation which has been allowed.

Mr. IVES. The Senator from New York was not quite clear whether the Senator from Wyoming was trying to warn the Housing Expediter not to use sufficient funds, or whether he was indicating to the Housing Expediter that he could use a sufficient amount of the funds.

Mr. O'MAHONEY. Of course he should use a sufficient amount, as the letter from the Director of the Budget amply shows—a letter, by the way, which was written at the solicitation of the Senator from Wyoming. The first thing I did after breakfast this morning was to consult the Bureau of the Budget, and to say to the Bureau of the Budget, "Take the RECORD for Friday last, read the statements which I made on the floor with respect to the antideficiency law and this appropriation, consult the Housing Expediter, and then write me a letter, if you can, confirming my opinion that you can authorize an unequal allocation through the year." This is the letter.

Mr. IVES. The Senator has perhaps noticed in reading the letter which he received from the Budget Director that on the basis of the amount allowed between now and October 1, which, as I recall, is $1,900,000 a month, on an annual basis of that kind approximately $23,000,000 would be required, which would be substantially above the $17,500,000 which has been allowed, or even above the $21,667,000 approved by the Senate.

Mr. O'MAHONEY. That would be true only in the event that it continued to be necessary to spend at the rate of $1,900,000.

Mr. IVES. The Senator from New York has not finished his question. Assuming that the rate of $1,900,000, or even more, should persist throughout the year, would the Senator from Wyoming still be willing to assist in obtaining a new appropriation to carry on the work of the Housing Expediter on that basis?

Mr. O'MAHONEY. If the evidence and the facts substantiated the assumption, most certainly.

Mr. IVES. I thank the Senator.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CORDON. I preface my inquiry by saying that I opposed the extension of rent control. On the other hand, rent control was extended. I am as much interested as is any other Member of the Senate in seeing that the job is well done. As one of the Senator's colleagues, both in the hearings and in the conference, it was my understanding that the rent-control area was narrowing, perhaps not day by day, but month by month, and that, as rapidly as areas appear to be able because of increased housing to come out from under rent control, that is being done by order of the appropriate authority. Therefore, when we look at the question of expenditure we find a situation in which, under the strictest interpretation of the Antideficiency Act, the apportioning authority, the Bureau of the Budget, would not only have the right, but the duty in apportioning these funds over any period, whether by the month or any other period, to take into consideration the fact that these duties will narrow with reference to the area to be covered over the full period of time, and that it therefore may make a much larger allocation at this end of the period, narrowing it down toward the farther end. Of course, if we should find that the experience upon which the Bureau would gage such action is not borne out in fact after the opening of another year, I think it would be the duty of the Bureau of the Budget and of the Congress to take cognizance of the fact at that time through an appropriate deficiency appropriation.

Mr. O'MAHONEY. I am very happy indeed that the Senator from Oregon has made that statement. It is very clarifying.

Mr. IVES. Mr. President, will the Senator yield to me so that I may ask the Senator from Oregon a question in that connection?

Mr. O'MAHONEY. I yield.

Mr. IVES. Would the Senator from Oregon be willing to support a deficiency appropriation of that type under such circumstances?

Mr. CORDON. There is no question about it. The law is on the books, and it is our duty to see that it is properly administered.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. I was greatly impressed by the very forceful statement made by the junior Senator from California [Mr. KNOWLAND] on Friday, that he would not, as I understood it, agree to such a proposal. Since we are having a little experience meeting, I wonder if the Senator from Wyoming would be willing to yield to the junior Senator from California so that he may state whether he is of the same opinion on Monday as he was on Friday.

Mr. O'MAHONEY. I did not understand the Senator from California to say that, but I am happy to yield to him.

Mr. KNOWLAND. Mr. President, I will say to the able Senator from Illinois that the junior Senator from California is of the same opinion on Monday

that he was on Friday, namely, that it is the duty of the head of any agency to live within the funds appropriated by the Congress. I quite agree with the statement made by the Senator from Oregon that, within the appropriation, and recognizing the fact that he must operate his agency for a 12-month period, for the fiscal year 1950, there is an area in which more funds can be allocated in the earlier period and a lesser amount in the later period, provided the facts seem to substantiate a tapering-off of the program. I assume, for example, that in the Post Office Department, during the Christmas season they have to put on more post office help, and undoubtedly there is more than one-twelfth of the amount of the appropriations allocated for the November-December-January period. However, I do not believe that any agency head would have the right to assume that when the Congress made an appropriation of $17,500,000 he could go merrily on his way and spend the entire amount in 6 months, believing that he was conforming to the Anti-deficiency Act or the policy-making power of the Congress.

Mr. O'MAHONEY. Mr. President, I am in complete accord with the statement just made by the Senator from California.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. I wonder if the Senator from California will be good enough to say whether he thinks the Housing Expediter would be breaking faith if during the next 6 months he spent approximately at the rate of $1,900,000 a month, or possibly a little less. If, then, in January, it were to appear that more than $6,000,000 was needed for the remaining 6 months, would the Senator then support a deficiency appropriation of sufficient size to enable the law to be adequately enforced? Am I unduly pressing the Senator when I ask this question?

Mr. KNOWLAND. No; the Senator is not doing so. He has asked a question, and he is entitled to a frank answer regarding the situation.

I would say that as a member of the Appropriations Committee, whether I would support at that time a deficiency bill would depend upon the facts which were developed. If I were assured that the Administrator, either of this agency or of any other agency, had made a full and honest effort to comply with the law and the policy laid down by the Congress, and was not trying to circumvent the policy laid down by the Congress, either in the legislation or in its judgment on appropriations and the sums which would be necessary for the operation of the agency, and if, under all those circumstances, the facts would warrant a deficiency appropriation, then certainly I may say that I have supported deficiency bills in the past. But my decision would be governed by all the facts which were developed. Certainly if the agency or the group concerned were simply to ignore the fact that the Congress had said that in its judgment $17,500,000 would be sufficient for the operation of the agency, and were to go ahead and spend at the old rate, with no attempt to comply with the congressional mandate, I would most vigorously oppose an attempt to obtain a deficiency appropriation.

Mr. DOUGLAS. Mr. President, will the Senator from Wyoming permit me to ask further questions of the Senator from California?

Mr. O'MAHONEY. Certainly.

Mr. DOUGLAS. Would the junior Senator from California regard it as germane evidence if it were to appear that the work load thrown on the Housing Expediter was greater this year than last year?

Mr. KNOWLAND. I should think the work load would definitely be a factor; but from my point of view—and I have had some experience with other Government agencies—I would not consider that the agency director was complying with the congressional intent if, for instance, he juggled his work load so that in areas in which he might properly cut down, he declined to do so, whereas in areas in which he had a legitimate reason for expanding, he also declined to do so, stating, "I cannot expand," when, as a matter of fact, had he used proper administrative discretion and had he cut out activities which he could very well have cut out, he could then have expanded in the other areas, although he did not do so.

Mr. O'MAHONEY. Mr. President, in that connection I think I should say that the record in the hearings shows that when Mr. Tighe Woods appeared before the committee, he had already, of his own initiative, decontrolled some 100 communities or areas. It is true they were only fringe areas; but he did take the action himself, and I think there is no reason to suppose that he would indulge in any rigging of his responsibilities.

Mr. KNOWLAND. Mr. President, I have not charged him with doing that.

Mr. O'MAHONEY. I understand.

Mr. KNOWLAND. I merely say that I would base my judgment on the facts which might be developed, in determining whether he was complying with the spirit of the law. If, for instance, the local boards and units which were set up indicated that in their judgment they could be decontrolled, and if the Administrator completely ignored their recommendation and maintained the controls, in such case there might be a question of judgment regarding the facts, a question which the committee would wish to go into very thoroughly.

Mr. O'MAHONEY. Mr. President, let me ask a question which I think will be helpful to the Senator from Illinois: Does not the Senator from California agree with me that it is a question of fact and of good faith; and if the facts and good faith are shown, then there can be no doubt that if a budget estimate is sent here, supported by the facts, the Appropriations Committee in the future, as in the past, will be very likely to be in a receptive mood?

Mr. KNOWLAND. I should say that certainly at that point the Appropriations Committee would give a fair hearing to the request. However, no one on this floor—and I am sure the Senator from Wyoming would be the first to confirm this—has a right to underwrite to the Housing Expediter that the funds will be provided, because that has to be determined in the judgment of the committee and of the Senate and of the House of Representatives. So he must always keep in mind that he has to come before us with the facts and to demonstrate that he has acted in good faith in attempting to comply with the congressional judgment, and then, in presenting his facts, take his chances on being able to convince both the committee and the Congress.

Mr. DOUGLAS. In that connection I should like to ask the Senator from California if he would be impressed with a few facts which I should like to recite.

Mr. KNOWLAND. I am always impressed with the facts, if they are accurate.

Mr. DOUGLAS. In the 4 months' period to April 1, 1949, the Housing Expediter received from landlords 160,000 petitions to increase rents. In the 4 months since we passed the rent-control law, he has received 197,945—or approximately 38,000 more, an increase of well over 20 percent and indeed of almost 25 percent, in the volume of work in connection with landlords' petitions, although we are now being asked to appropriate nearly $5,000,000 less for the current year than he spent during the year 1948–49.

Does the Senator think that would establish a case for an increase in the total expenditure above $17,500,000?

Mr. KNOWLAND. Mr. President, with all due respect to my colleague, the Senator from Illinois, I do not wish, on the floor of the Senate, on the basis of piecemeal statements, which no doubt the Senator from Illinois has investigated and can vouch for, to say what I will do.

When the matter comes next year before the Senate or the committee, as I have said to the Senator from Illinois, if the agency director has operated in good faith, if he has made every effort to comply with the congressional mandate that he shall operate his agency on $17,500,000 for a 12-month period, and, under the statement made by the Senator from Wyoming, recognizing that in the early periods he is entitled, with the consent of the Director of the Bureau of the Budget, to spend more than in the tapering-off, later period, and if the facts would justify it, I would certainly approach a request for a deficiency appropriation with an open mind at that time.

Mr. O'MAHONEY. Mr. President, I think the present condition of the situation is now fairly well explained. So I wish to announce to the Senators who are present what it will be my purpose to do. A quorum is not on the floor at the moment. In a moment I shall suggest the absence of a quorum, and then I shall attempt to bring this matter to an end by asking unanimous consent, first, that the item may be reconsidered; second, that the item may be amended by adding the ratification amendment which I had read into the RECORD last Friday,

and which I ask to have read at this time by the clerk.

The PRESIDING OFFICER. Without objection, the clerk will read.

The Chief Clerk read as follows:

*Provided further,* That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred during the period between August 15, 1949, and the date of the enactment of this act in anticipation of such appropriation and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Mr. O'MAHONEY. Mr. President, the Senator from New York indicates to me that he feels that it may be necessary for those who take the position which he and the Senator from Illinois have taken, to offer an amendment to increase the amount of the appropriation. Of course that is their right. I raise no question about it.

I shall then proceed, as I announced, to suggest the absence of a quorum, and then to ask that the motion to reconsider be agreed to, and then to ask that this privileged amendment may be adopted. Then, if the Senators just mentioned make a motion to increase the amount of the appropriation—in other words, to disagree to the amendment and to return it to conference—as the chairman of the conferees, I shall be obliged to oppose such requested action.

Mr. SPARKMAN. Mr. President, will the Senator withhold his suggestion of the absence of a quorum for the time being?

Mr. O'MAHONEY. Yes; I withhold it.

Mr. SPARKMAN. Before the Senator suggests the absence of a quorum, let me say that I was about to ask unanimous consent to have printed in the RECORD an editorial entitled "Threat to Rent Control" appearing in the New York Herald Tribune for August 19, and also an editorial entitled "Sneak Legislation" appearing in the Washington Post of August 19. However, I have just been informed by the Senator from New York [Mr. IVES] that he has already inserted both those editorials in the RECORD. Therefore, I shall not ask that they be inserted again, but I wish to say that I think they are thoughtful editorials which everyone should read.

Mr. President, before we come to a final settlement of the matter of sufficient funds for rent control—and I want to say I am personally grateful to the able Senator from Wyoming for the manner in which he has tried to work this question out—I wish to state that I have read the letter from the Bureau of the Budget, and I believe we at least have a better understanding of the matter now than existed when it was considered last Friday. But, Mr. President, there are two other matters in the conference report which I want to call very briefly to the attention of the Senate. My attention was called to them at the time the conference report was called up on the Senate floor several days ago. I did not make a motion to reconsider the amendments or to do anything which would hold up adoption of the conference report. I fully realized the importance of getting an early agreement to the conference report. There are a great many agencies and there are many hundreds, perhaps thousands, of employees who are depending upon the early approval of this action for their pay and for the funds with which to continue operation. But there are two things in the conference report I want to mention. I believe they should be pointed out, even though they have already been agreed to.

One of them relates to payments in lieu of taxes, which subject was covered by Senate amendment 45. When the bill came to the Senate from the House it contained the following proviso:

*Provided further,* That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Public Housing Administration or its predecessor agencies.

The Senate committee struck out that language, and the Senate agreed. But when the bill went to conference, the House conferees I assume were insistent upon the language being retained, and it came back to us with that language in the bill.

I wish to speak briefly about the effect of the provision, and to give some of its legislative history. Provisos identical with the one I have just read were included in the appropriation acts for the fiscal years 1948 and 1949. It was pointed out to the Congress that the provisos in effect compelled the Public Housing Administration to breach its contracts with local housing authorities in certain cases, compelled the local authorities to breach their contracts with local governing bodies, in some cases, and resulted in varying and inequitable treatment as between different communities. On this basis, and at the request of the senior Senator from Georgia [Mr. GEORGE], the Senate Appropriations Committee recommended, and the Senate adopted, amendments to the First Deficiency Appropriation bill for 1949, repealing the limitations for the fiscal years 1948 and 1949. The amendments were eliminated in conference, however, because the matter was contained in other legislation. In the Independent Offices Appropriation bill, 1950, the Senate Appropriations Committee recommended and the Senate adopted, an amendment deleting the proviso.

In the Housing Act of 1949, Public Law 171, approved July 15, 1949, only a little more than 30 days ago, the Senate approved and the Congress enacted legislation repealing these provisions of the Appropriation Acts for 1948 and 1949, setting forth in full a statutory policy and requirement with respect to payments in lieu of taxes.

Thus the Senate during the present session has thrice declared itself against these limitations in the appropriation acts, and has voted a different policy on the subject, which was enacted into law a little more than a month ago by both Houses of Congress. Yet the conference committee rewrote into the law something which thrice during this year we had eliminated, something which we were in the act of eliminating at the very time the conference committee was in the act of writing it back into the bill. I think that is something we should bear in mind in considering the appropriation bills, and particularly in considering legislation on appropriation bills. That is what this was. It is true we could do nothing in the Senate, because it was added in the House. But it certainly disrupts and disturbs the legislative situation, with the effect that cities and local housing authorities and the Public Housing Administration do not know how to deal with one another.

I remember that, when this was included in the appropriation bill of 1948, I offered the amendment to strike it out. I did so at the wish of the Senator from Illinois, who was absent from the Senate that day. We have had this fight over and over and over in the Senate. This year, the elimination of the proviso was agreed to by both Houses of Congress, and when we passed the Housing Act of 1949, we set up a policy which should govern our actions thereafter. We now come to the conference report, agreeing to the House amendment. We are completely tearing up again the policy which we wrote into the law.

The restoration of the proviso in the Independent Offices Appropriation Act, 1950, will have the following effects:

First. Since it has already been adopted, it will be impossible to put into effect the statutory policy on payments in lieu of taxes contained in the Housing Act of 1949 as to all existing projects eligible for contributions during fiscal year 1950. Payments in lieu of taxes with respect to such projects in all cases would be limited to the amounts provided in the original contracts. In more than 150 cases—over one-half—this would mean that no payments in lieu of taxes could be made, since none were provided in the original contracts. In the remaining cases amounts could be paid ranging from 2 to 5 percent, but the cities affected would continue to be unequally treated. In some 17 cases payments would be required to be less than those called for by the existing contracts, because such amounts are greater than those provided in the original contracts, since amended.

Second. It would be difficult, if not impossible, to put into effect the pertinent provisions of the Housing Act of 1949 as to projects initiated after March 1, 1949, because (a) contracts at the new rates authorized by the act, even though they would be initial or original contracts, would be likely to encounter objection from the Appropriations Committees since they would be at rates in excess of those in existing contracts covered under the proviso, and (b) new contracts on a different basis would add further to the confusion in the basis for payments in lieu of taxes, and increase the disparity and inequity as between different cities.

Third. It would be all but impossible to amend existing contracts to put them on the new basis as authorized by the

Housing Act of 1949, for the same reasons.

Thus, in summary, the proviso in the independent offices appropriation bill, 1950, would effectively nullify section 305 (b) of the Housing Act of 1949, just adopted by the Congress.

Mr. President, the other provision to which I wish to call attention relates to transfer of temporary housing. In the bill as it came to the Senate certain language was contained, which the Senate struck out. That was amendment 87, found on page 78 of House bill 4177. That language is as follows:

*Provided further*, That the Administrator of the Housing and Home Finance Agency may relinquish and transfer, pursuant to the same general terms and conditions specified in subsections 505 (a) and (b) of the act of October 14, 1940, as added by the act of June 28, 1948 (Public Law 796), title to temporary housing provided for certain veterans and their families under title V of said act of October 14, 1940, as amended, to any State, county, city, or other public body: *Provided further*, That any application for such relinquishment and transfer shall be filed with the Administrator within 120 days after the approval of this act.

The measure was reported to the Senate with an amendment striking out that language, and the Senate agreed to it; but when it comes back to us from the conference, that language is carried in the conference report.

Recession of the Senate from its amendment No. 87, as recommended by the conferees on this bill, would restore the House provision for relinquishment and transfer of veterans' temporary reuse housing projects to States, counties, and other public bodies.

In recommending the deletion of this provision, the report No. 639 of the Senate Appropriations Committee stated that this legislative language should be considered by the legislative committee concerned along with the entire temporary housing problem. Since the date of that report, July 8, the Senate Committee on Banking and Currency has held hearings and fully considered this whole problem. On August 11, it reported S. 2246, which contains in title II comprehensive legislation dealing not only with this particular phase of the disposition problem, but with the problem as a whole, including the disposition of temporary and permanent war housing as well as veterans' housing.

Mr. President, in that connection I will say that the transfer of permanent housing met with some opposition. There was controversy, but there was no controversy in the committee, as I recall, with reference to temporary housing. My recollection is that the committee unanimously agreed to it.

This provision in House bill 4177 is clearly legislative in character. It would constitute a determination of basic housing policy not properly included in an appropriation measure. It covers only about 89,000 out of a total of nearly 304,000 temporary housing units under the jurisdiction of the Housing and Home Finance Administrator. There is no reason for Congress to deal with only a part of the problem and thereby give a preference to the communities in which these 89,000 units happen to be located. The entire matter, including collateral provisions necessary for a proper and consistent disposal program, should be considered at one time in a single piece of legislation such as title II of Senate bill 2246. Even with respect to the housing covered by the provision in House bill 4177, that bill is not fully in accord with the legislation recommended by the Senate Committee on Banking and Currency. For example, under Senate bill 2246, the Housing Agency would not be required to relinquish or transfer the Government's interest in the housing without certain assurances designed to prevent this housing from becoming slum property. These are most desirable provisions, and are not included in the language in the appropriation bill.

In addition, the provision in the appropriation bill does not conform to certain technical and clarifying language which the Senate Committee on Banking and Currency believes desirable for the proper handling of the disposal of the housing involved.

Mr. President, these particular amendments have already been agreed to, and, as I stated in the beginning, I have no inclination, and have not had, to postpone final agreement on the amendments, but I did feel that here were two legislative matters handled by the Appropriations committees absolutely contrary to legislation reported and acted upon by the various legislative committees established for the purpose of handling legislative matters.

As was so well pointed out by the Appropriations Committee in turning down this last provision, it demonstrates what many of us from time to time feel very keenly, namely, a further encroachment on the part of the Appropriations Committees on the jurisdiction of the respective legislative committees. For one, I want to protest vigorously against such things being written into appropriation bills. I was pleased that the Senate Appropriations Committee struck this language out. I only wish it might have stood fast in insisting that it remain stricken from the bill and that there might be closer adherence to the oftenstated principle that legislative matters should be left to legislative committees.

Mr. MAGNUSON. Mr. President, on the question now before the Senate, I have just received a telegram from my home State, which I should like at this time to read to the Senate. It is addressed to me by the Veterans of Foreign Wars, and it reads as follows:

SEATTLE, WASH., *August 20, 1949.*

Hon. WARREN G. MAGNUSON,
*United States Senate, Washington, D. C.:*

Department of Washington, Veterans of Foreign Wars, greatly concerned probable rent decontrol of smaller communities due to lack Federal operating funds for OHE. Very apparent opponents of rent control using back-door method of appropriation cuts to defeat prior congressional approval of very necessary rent act. Everett, Wash., city council and mayor just denied decontrol appeal by operators' association. Veterans and labor proved fallacy of operators' arguments. If appropriation cuts approved Everett, for example, may be decontrolled although need of rent controls has been established at open hearing. Citizens and veterans of small, crowded communities entitled to same protection as those of large cities. Decontrol of smaller areas should not be determined on basis of lack of OHE funds but rather upon result of established procedures to determine further need of rent controls in those areas. Continued rent control on present level a necessity. Request utmost action for defense against Rent Act appropriation cut.

E. G. PATTERSON,
*Quartermaster Adjutant, Department of Washington, VFW.*

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Anderson | Hill | Millikin |
| Baldwin | Holland | Morse |
| Bricker | Humphrey | Mundt |
| Bridges | Hunt | Murray |
| Byrd | Ives | Neely |
| Cain | Jenner | O'Mahoney |
| Chavez | Johnson, Colo. | Reed |
| Connally | Johnson, Tex. | Robertson |
| Cordon | Johnston, S. C. | Russell |
| Donnell | Kefauver | Saltonstall |
| Douglas | Kem | Schoeppel |
| Dulles | Kerr | Smith, N. J. |
| Eastland | Knowland | Sparkman |
| Ecton | Langer | Stennis |
| Ellender | Lucas | Taylor |
| Ferguson | McCarthy | Thomas, Okla. |
| Flanders | McClellan | Thomas, Utah |
| Fulbright | McFarland | Tobey |
| George | McGrath | Tydings |
| Gillette | McKellar | Vandenberg |
| Graham | McMahon | Watkins |
| Green | Magnuson | Wherry |
| Gurney | Malone | Williams |
| Hayden | Martin | Withers |
| Hendrickson | Maybank | Young |
| Hickenlooper | Miller | |

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). A quorum is present.

Mr. O'MAHONEY. Mr. President, the question before the Senate is the motion of the Senator from Illinois [Mr. DOUGLAS] to reconsider the vote by which the House amendment to Senate amendment No. 46 in the independent offices appropriation bill, was agreed to. I think the matter had been thoroughly considered and thoroughly discussed prior to the quorum call.

There are two questions involved. First, and I think most important is that the amendment shall be amended by a ratifying amendment without which the Housing Expediter would be without any funds at all. If there be a second issue, it is whether or not the amount of money shall be increased.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. O'MAHONEY. I yield.

Mr. DONNELL. "Without which amendment being agreed to," I believe the Senator said, "the Housing Expediter would be without any funds." Is the Senator referring to the period up to September 15?

Mr. O'MAHONEY. That is correct. The Housing Expediter having no appropriation at all, was not covered by the continuing joint resolution. So, Mr. President, if those who believe that the appropriation is too small, desire, after the amendment has been adopted, to offer an amendment increasing the sum, and I hope they will not—I thought I had talked them out of it—or any other amendment, then that will have to be decided by a majority vote of the Senate, and I think it will be. As I have stated to the Senator from Illinois [Mr. DOUGLAS] who made the motion to reconsider, and the Senator from New

York [Mr. IVES], who seems to feel that the amount is too small, I shall ask the Senate not to agree to any amendment altering the amount of the appropriation, because I have had read to the Senate a letter from the Bureau of the Budget completely confirming the explanation made last Friday that the $17,500,000 may be apportioned throughout the year in such a manner that most of it can be expended in the first 6 months, and the smaller part in the last 6 months, and if, as a matter of fact, the rent control conditions are such that the work is not tapering off, it is perfectly within the right of the Housing Expediter and the Bureau of the Budget to send to Congress for its consideration a request for a deficiency appropriation.

So in order to avoid what I think to be an unnecessary roll call and to confine the roll call simply to any motion that may be made by the Senator from Illinois, I ask unanimous consent that the motion made by the Senator from Illinois to reconsider the vote by which the House amendment to Senate amendment No. 46 was agreed to, be agreed to, and that the amendment which I now send to the desk may be adopted to amendment No. 46. My amendment merely adds the provision of affirmation of expenditures which must necessarily be made.

Mr. WHERRY. Mr President, reserving the right to object; of course, if the unanimous-consent request is agreed to, the junior Senator from Illinois [Mr. DOUGLAS] still may submit an amendment.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. Or an amendment may be presented by any Senator.

Mr. O'MAHONEY. To amendment numbered 46.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. As I understand, that means that the amendment I have just offered has been adopted?

The PRESIDING OFFICER. It does.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Yes.

Mr. DONNELL. The amendment was not read.

Mr. O'MAHONEY. It has been read a half a dozen times.

Mr. DONNELL. I should like, if the Senator does not object, to have it read.

Mr. O'MAHONEY. Certainly.

The PRESIDING OFFICER. The amendment will be read.

The Chief Clerk read as follows:

*Provided further,* That the appropriation and authority with respect to the appropriation in this paragraph shall be available from and including July 1, 1949, for the purposes provided in such appropriation and authority. All obligations incurred during the period between August 15, 1949, and the date of the enactment of this act, in anticipation of such appropriation and authority, are hereby ratified, and confirmed, if in accordance with the terms thereof.

Mr. DONNELL. Mr. President, does the Senator have any objection if I note at this point for purposes of easy reference, that the amendment as now read is the amendment which appears and was read by the Senator from Wyoming on August 19, 1949, and as set forth at page 11850 of the RECORD?

Mr. O'MAHONEY. That is the precise amendment.

Mr. DONNELL. I thank the Senator.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment to Senate amendment numbered 46 which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In Senate amendment No. 46 to House bill 4177, it is proposed to insert the following after the figures "$17,500,000."

*Provided, however,* That the Office of Housing Expediter may expend during the period ending March 31, 1950, the funds made available to it under this Act.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. I yield.

Mr. O'MAHONEY. As I understand the amendment offered by the Senator from Illinois it would, if adopted, provide that $17,500,000 could be expended during the nine months period instead of during the twelve months period.

Mr. DOUGLAS. Yes, that is, if the circumstances required the expenditure of this amount.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. BRICKER. I ask unanimous consent that I may be permitted at this time to propound a question to the chairman of the committee, the distinguished Senator from Wyoming [Mr. O'MAHONEY].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Ohio may proceed.

Mr. BRICKER. Does not that accomplish exactly the same thing we were assured in the letter from the Budget Bureau just read a few moments ago by the Senator from Wyoming they would approve if need were shown?

Mr. O'MAHONEY. No, Mr. President, I think it goes a little further, because it would mean that $17,500,000 could be apportioned for 9 months, and it would make it absolutely certain that there would be a deficiency for the remaining 3 months.

Mr. BRICKER. The amendment, then, would make the appropriation for 9 months instead of for 12 months, as proposed in the conference report?

Mr. O'MAHONEY. That is correct.

Mr. DOUGLAS. Mr. President, I think the wording is that the Housing Expediter "may" spend the appropriation within 9 months. It does not make the expenditure of the $17,500,000 mandatory within the 9 months. It merely permits the Housing Expediter to spend it in 9 months if the burden of administrative work is heavier than the sponsors of the $17,500,000 grant believe it will be. It seems to me that this suggestion really embodies the spirit of the informal discussion which we have had on the floor this afternoon and is in line with the assurances given by the very able Senator from Oregon [Mr. CORDON] and the junior Senator from California [Mr. KNOWLAND]. It permits a degree of flexibility upon which I hope both sides of the Chamber may agree.

Mr. KNOWLAND. Mr. President, I cannot quite agree with the able Senator from Illinois that this amendment does what the discussion on the floor indicated. The discussion on the floor related, as I understood it, to the fact that when the Congress makes an appropriation—in this case of $17,500,000—it is the duty of the Administrator so to adjust his budget that he can operate his department or agency for a full 12 months' period. I think the able Senator from Wyoming clarified the situation substantially today by pointing out that it would be no violation of the Antideficiency Act if an agency which was in fact tapering off spent a larger amount in the early period than it spent in the later period, or the tapering-off end of the situation.

During the course of the discussion it was pointed out that the Post Office Department has a greater burden in the December Christmas rush period than it may have in June. But the amendment offered by the Senator from Illinois goes far beyond that situation. In my judgment, it upsets the action which Congress has previously taken in pointing out that the agency had a responsibility to operate for a 12-month period under the appropriation allowed by the Congress. It nullifies the prior action by the Congress. In fact, it provides a substantial addition. I would certainly vigorously oppose the amendment offered by the Senator from Illinois if he should persist in his amendment at this time, because I think it completely changes the prior decision of the Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the amendment of the House to Senate amendment No. 46 in the independent offices appropriation bill.

Mr. HOLLAND. Mr. President, I hope the distinguished Senator from Illinois will not insist upon his amendment. My reason for voicing that hope is that I share with him the feeling that the Congress must take care of the legitimate expenses of the Housing Expediter during the entire 12 months' period in the enforcement of the act which Congress has passed, under which it has placed upon the Expediter a great deal more activity and service than were required under the former act.

It is my feeling that if the Senate—as I think it may do—should reject the amendment which the Senator from Illinois has now offered, it might very conceivably affect the decision already reached by the Bureau of the Budget and the opinion which has been written into the RECORD, because it would bring about an entirely different situation and as against a different background. I hope the distinguished Senator will not insist on his amendment.

I think every Senator knows that this particular activity is not like the ordinary budgeted activity, which is assumed to be just as great at the end of the 12

months' period as it is at the beginning. This activity is tapering off. It is liquidating. An uncertain number of decontrols are to take effect. There are four kinds of decontrols provided for, namely, orders by the Expediter, orders by the Emergency Court of Appeals, action of the State legislature, and action by local units of government supported by the request and approval of the governor. No one can possibly foresee what the sum total of decontrols will be during the period. Everyone is hoping that they will be greater instead of fewer.

Furthermore, there are uncertainties arising from the fact that no one knows how many evictions there will be. There is one of the extra duties we placed upon the Expediter. No one knows how many rent adjustments there will be. I think we should allow the Expediter to enter into this program with the amount we have provided, with the understanding that he faces an uncertain task of undetermined size, and with the mandate that he shall, under the direction of the Bureau of the Budget, do the best job he can with this money, and come back to Congress if it is necessary to do so.

The reason for my request of the distinguished Senator from Illinois is that I believe the record would be much less hopeful from his point of view if the Senate should decide to vote down his amendment than if he were to leave the situation just as it is.

I commend the Senator from Wyoming for the patience with which he has handled the entire matter, and for the diligence with which he has handled it in conference. When he tells us that he cannot do any better than this in conference, I think it is tantamount to telling us that the adoption of this amendment would subject him to an impossible situation in conference. I hope we shall not burden him further in this way.

It seems to me that we shall have the situation in good shape if this amendment is withdrawn. I say that from the background of one who has voted for larger rather than smaller appropriations for this particular activity. I felt that, having voted to place extra duties on the Housing Expediter, it was my duty to stand for adequate instead of smaller appropriations.

I hope the distinguished Senator from Illinois will withdraw his amendment.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Florida. I believe that this amendment should be either withdrawn or defeated. We are facing a factual situation. As the matter now stands, the Senate has approved an amendment which the House conferees will accept. The moment this is done the bill will be on the way to the White House for signature, and funds will be available for the Housing Expediter. If any further delay is occasioned, the matter will have to go back to conference, and the Lord only knows what the outcome will be. I regret to say to the distinguished Senator from Illinois that I hope, if the amendment is insisted upon, that the Senate will reject it.

Mr. DOUGLAS. Mr. President, it is with mingled feelings that I rise to withdraw the amendment I have recently offered. But I think perhaps I should state briefly why I do so.

In the first place, I certainly do not want to tie up the appropriation bill for the independent offices. I think we have had altogether too great a delay in getting this and other appropriation bills through both Houses, and I do not want to be a party to any further delay.

We have had considerable assurance on the floor this afternoon that if the work of the Housing Expediter does not taper off, then a number of Senators on both sides of the aisle—most of whom, I believe, are members of the Appropriations Committee—will support a proposal for additional funds if it is made in the early part of the year. On the good faith of what I understand those promises to be, and as the printed RECORD will reveal, I am therefore ready to withdraw my amendment.

However, if the work of the Housing Expediter does not taper off—and personally I do not expect that it will—if next January the Housing Expediter should ask for the necessary funds with which to carry on his work for the remainder of the year, and we are then faced with an attempt to cut off the needed additional funds, I shall regard it as a breach of faith, and I shall work with might and main to see that the Housing Expediter is furnished with adequate funds to carry on the work of protecting tenants from improper rent increases and at the same time giving justice to the landlords.

In short, I am willing to withdraw the amendment, and rest upon the good faith of Senators on both sides of the aisle. If in January or later I find that because of my trusting nature I have been seduced in this matter, I shall naturally feel it my duty to try to tear my seducers from stem to stern.

Mr. IVES. Mr. President, I had hoped and expected to support the amendment offered by the able Senator from Illinois; but after reconsideration of this question and having listened to the presentations which have been made here this afternoon, the pledges which have been forthcoming from important and distinguished Members of the Senate, and realizing, as I do, that the chances are that either this amendment or the other amendment replacing the money stricken from the appropriation bill by the conferees, would very likely meet with defeat in the Senate this situation might put any of us who feel the necessity for asking for additional funds in the next session of Congress at a great disadvantage—in view of these facts, I shall join the able junior Senator from Illinois not to press any amendment. However, I look to my colleagues in the Senate to support the position which some of us find it necessary to take because of conditions which exist in our own States should we find that additional funds will be necessary next January or next February.

Resting on the confidence which I have in my colleagues in the Senate to see that justice and fairness prevail in this matter, I join the able Senator from Illinois in the position which he has taken.

Mr. O'MAHONEY. Mr. President, I move that the Senate agree to the amendment as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

Mr. WHERRY. Mr. President, before we vote on the motion, I wish the RECORD to show that I am not one who has promised any relief next January. I wish the RECORD to show that before we take this vote. I shall be glad to be fair about anything, certainly. I shall be glad to reconsider anything. But I do not wish the withdrawal of the amendment by the junior Senator from Illinois to indicate that because he withdraws it, I, for one, am pledging full faith and support for the position he has taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended. Without objection——

Mr. FERGUSON. Mr. President, I feel the same way the Senator from Nebraska does, namely, that in allowing this amendment to be withdrawn without a vote on it, I do not place myself in the position that at some future time when this matter may come up, I shall allow some other Senator to judge as to the good faith of myself or any other Member of the Senate. So far as I am concerned, we shall treat this matter and shall vote on it when it comes up.

Mr. KNOWLAND. Mr. President, I am sure that if all Senators will read the entire RECORD, both the statement made by the able Senator from Wyoming and the statements made by other Members of the Senate, it will be perfectly clear that no commitments which would warrant an agency chief in ignoring the appropriation voted by the Congress are being made. There should be a general tapering off. If the tapering off does not take place, there is no commitment on the part of anyone to support a deficiency appropriation. The facts which may be developed and the good faith of the agency director in complying with the appropriation allowed by the Congress by living within the appropriation will all be factors which will be considered by the Appropriations Committee and by the Senate of the United States when it might come to act on any future request for funds.

Mr. DONNELL. Mr. President, I should like to say, along the lines of the statement made by the Senator from Michigan, that I do not wish to make any commitment at this time as to how I shall vote upon this matter next January or at any other time. I shall undertake to vote then as I deem proper.

The PRESIDING OFFICER. Without objection, the House amendment as amended is agreed to.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD certain statistics showing the increase in the work load of the Housing Expediter during the last 4 months under the new law, as compared with his work during the preceding 4 months under the old law.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

OFFICE OF THE HOUSING EXPEDITER—COMPARISON OF WORKLOAD AND BACKLOGS

The Housing and Rent Act of 1949, Public Law 31, became effective on April 1, 1949. This statement compares workload and backlogs for the first 4 months of the new act with the preceding 4 months.

In the 4 months prior to April, there were 160,006 landlords' petitions for rent increases filed in area rent offices. During these same 4 months 160,871 landlords' petitions were acted upon which means that production was ahead of intake. At the beginning of April there were 42,864 landlords' petitions pending final action.

In the 4 months since April 1 the number of landlords' petitions filed shot up almost 25 percent, amounting to 197,945. Despite the fact that production during this period was only slightly less than in the preceding 4 months, the backlog has more than doubled, amounting to 90,442 cases at the end of July.

Much the same story is true on tenants' cases. During the 4 months prior to April 88,214 compliance actions were docketed and 82,778 actions were closed with a backlog of 28,646 cases. During the 4 months since April 1 the number of actions docketed rose to 106,747. Despite an increase in production—94,504 actions closed—the backlog by the end of July amounted to 40,843 cases, an increase of more than 42 percent.

But this is not the whole story. The present act restored the Housing Expediter's control over evictions. In the 4 months, April through July, there was an additional workload of 139,702 notices of eviction and 76,938 petitions for certificates of eviction filed. It must also be remembered that the present act restored the authority of the Housing Expediter to settle overcharge violations. During the past 4 months settlements have been effected in 23,623 cases, involving refunds to tenants and payments to the United States Treasury in the amount of $1,900,589. In addition, the Housing Expediter was required under the present act to appoint landlord-tenant consultants in each of the more than 450 local offices throughout the country.

This tremendous increase in workload and backlogs has taken place despite the fact that 339 decontrol actions have taken place between April 1 and August 18 of this year. These decontrols consisted of 209 actions by the Housing Expediter on his own initiative, 125 as the result of local option, 3 by State option, and 2 on the recommendation of local rent advisory boards. One hundred and eleven of the five hundred and ninety-nine defense-rental areas in existence on April 1 have been entirely decontrolled with the remaining actions affecting portions of areas. These decontrol actions have resulted in some reduction in force between April 1 and August 1, 1949.

Despite such an increase in work load and decline in personnel, an increase in production has been achieved. Under the above conditions, however, and with the added work caused by the necessity of computing fair net operating income, it is easy to understand why backlogs are accumulating until they have reached the danger point.

*Summary of work-load changes, Office of the Housing Expediter, Chicago, Ill.*

| | Dec. 1, 1948, to Apr. 1, 1949 | Apr. 1, to Aug. 1, 1949 |
|---|---|---|
| 1. Landlords' petitions: | | |
| (a) Petitions filed | 9,209 | 16,790 |
| (b) Petitions processed | 8,733 | 9,123 |
| (c) Petitions pending at end of 4-month period | 4,005 | 11,672 |
| 2. Tenants' cases: | | |
| (a) Cases filed | 3,298 | 3,981 |
| (b) Cases processed | 3,258 | 3,707 |
| (c) Cases pending at end of 4-month period | 765 | 1,039 |
| 3. Eviction actions: | | |
| (a) Notices of eviction received (from tenants) | ---------- | 6,374 |
| (b) Petitions for certificates of eviction (from landlords) | ---------- | 9,011 |

## INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. KERR] to the committee amendment on page 6, in line 13, striking out "$1,616,115," and inserting in lieu thereof $3,990,000."

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. I ask the Chair to state the situation relative to the unanimous-consent agreement to vote on this amendment, which is in reality a bloc of four amendments on pages 6 and 7.

The PRESIDING OFFICER. The order entered into today is as follows:

*Ordered*, That the order of Friday limiting debate on the committee amendments shown on pages 6 and 7 of House bill 3838, the Interior Department appropriation bill for 1950, be rescinded; that on Tuesday, August 23, 1949, at the hour of 2:30 o'clock p. m., the Senate proceed to vote without further debate upon the question of agreeing to the amendments en bloc or upon any amendment proposed thereto; that the time between 12:30 o' clock and 2:20 p. m. on said day be equally divided between those favoring and those opposing the said amendments, and be controlled, respectively, by the Senator from Oklahoma [Mr. THOMAS] and the Senator from Alabama [Mr. HILL].

Mr. HAYDEN. Mr. President, having passed over the Southwestern Power Administration amendments, the next committee amendment appears on page 8, and relates to the Bonneville Power Administration. The amount adopted by the House of Representatives was $29,927,500. The Senate committee voted to increase that amount to $30,284,500, but those increases are due entirely to supplemental budget estimates received after the bill came to the Senate.

I may state in a general way with respect to the Bonneville power situation that that Administration handles the power developed hydroelectrically on the Columbia River. It is my understanding that in the course of time there can be developed there between 25,000,000 and 30,000,000 kilowatts of power. That is an enormous hydroelectric development. Under those circumstances, the issue is not exactly the same as it is in the case of the Southwestern Power Administration, in that under the Southwestern Power Administration when all the hydroelectric developments are completed, as contemplated in the entire area, the hydroelectric power will not provide more than 20 percent of the power generated in the area, whereas in the Columbia River area hydroelectric power as developed will amount to very much more than the steam power developed. There will be some steam development; but firming up the power is brought about by building one dam after another up the stream, and each dam up the stream firms up the power for those below.

That is about all the statement I care to make at this time.

I now yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, what the Senator from Arizona has said is fundamentally correct. I expect to offer an amendment to the committee amendment on the so-called Kerr-Anaconda transmission line, which is involved in the subject mentioned by the Senator from Arizona.

Prior to offering the amendment, let me say that, as I said last Friday on the floor, although these items are somewhat different in certain specific instances, nevertheless the whole problem of these amendments relating to transmission lines, whether they be in the Southeast, the Southwest, the Pacific Northwest, or the Central Valley of California, to my mind involves the same fundamental subject. I think the issue is clear. It was stated very aptly by the distinguished junior Senator from Oklahoma [Mr. KERR] in his discussion of the Southwestern Power Administration transmission matter the other day, when he made a statement to the effect that provision for the lines which were not objected to by the private power representatives was left in the appropriation bill, but provision for all the lines—whether in one section of the country or another—which were objected to by the private power groups, whose representatives appeared as witnesses before the Appropriations Committee, as they had a right to, was rejected.

So in my opinion this gets down to an almost 20-year fight in the Congress between the development of public power as it clashes with the interests of private utilities and the private power lobbies.

Before I offer my amendment, Mr. President, I wish to speak briefly on the general subject. I know that many other Senators, particularly Senators from my area and those in other affected areas in the Southwest and Southeast, probably will also have something to say on this general subject. Mr. President, I speak, of course, in opposition to all these committee amendments. Other Senators have already stated for instance that one amendment eliminates a $70,000 item for salaries and expenses in the Secretary's office, a $70,000 item needed to finance a power marketing survey in Southeastern United States. That does not involve directly a transmission line, though it gets to the meat of the coconut in the argument of this matter. It involves again the long standing clash, which has extended over many years, between proponents of the development of public power, with the Government's participation in the development, and the private power interests.

In the southeastern area of the country, an amendment affecting which will be up for consideration in the Senate shortly, a number of dams have been constructed by the Army engineers, and they are now, or in the near future will be, producing hydroelectric power. How best to market that power for the benefit of the people who have invested money in the dams is of vital concern to the

Congress, to citizens of the area, and the Nation. Without such a survey, for example, in this case, the Secretary of the Interior will be without accurate and workable data with which to carry forward his efforts and discharge his obligations under the Flood Control Act of 1944, in which Congress laid down the national power policy, and which, in my opinion, has been circumvented by the committee's action on transmission lines, and the two amendments of which I speak.

Some may wonder why I, a Senator from the Pacific Northwest, should be concerned about a $70,000 appropriation for the administration of southeastern power. My concern stems from the fact that the committee amendment, as I have previously stated, is the first of a series of actions by the committee adding up to a pattern, which we have long since come to recognize as the handiwork of the private power lobby. Those responsible for that handiwork operate in every section of the country. Wherever the people invest their money in a power-producing dam, the weavers will be found at work. Always the pattern is the same. It is the pattern here involved—"You build the dam, we will distribute the power, we will take it at the bus bar, we well resell your power to you, at our price."

There are 13 separate items in the bill in which the issue of who shall distribute the people's power is clearly drawn. Other Senators and I shall speak directly to each of these as they are reached. It is my purpose to attempt to demonstrate what the issue is, so the Senate and the country may know how the 13 separate appropriations are interrelated, and how they affect the entire Federal power policy.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. MAGNUSON. I am glad to yield.

Mr. SPARKMAN. Before the Senator gets too far away from the item relating to the southeastern power situation, involving only $70,000, I may say I am sure the Senator knows that the question of transmission lines is not involved in that program.

Mr. MAGNUSON. It is not directly involved, I may say to the Senator.

Mr. SPARKMAN. That is what I mean, it is not involved in that one particular administration. As a matter of fact, the only thing there attempted is the carrying out of a clear mandate of the Congress in the 1944 Flood Control Act, to market the power generated at the dams which are being built under appropriations made by Congress.

I wonder whether it would not be well also to keep in mind that it would be an easy matter in the Southeast to market the power through the TVA, if it were desired to do so. But long years ago there was a somewhat tacit agreement reached to the effect that TVA would limit its operations to a rather well-defined territory. If the private power interests want to force the Government to do it, the Department of the Interior could very easily make a contract with TVA to market all this power. But the inevitable result would be to push the TVA out of the territory to which heretofore it has limited itself and restricted its operations.

With that preliminary statement I should like to ask the able Senator: Is not $70,000 a very small expense to authorize, when we consider the fact that during 1950 there will be $1,000,000 worth of power to sell in the Southeast, and that, over the next 3 years, it will be stepped up to $10,000,000? Would not any private business concern regard $70,000 as a very small item with which to begin building up a business organization for the purpose of marketing, in a fair and businesslike manner, that much power?

Mr. MAGNUSON. Of course. That is why the amendments seem to represent such false economy. It is preliminary to the developments in the southeastern area which will give the people cheap power. But the private utility interests oppose it because they think that any good planning in the southeastern part of the United States will of necessity involve the Government's building some more dams at which to produce cheap power, and that of necessity it will involve probably the Government's building certain transmission lines with which to distribute the power, where private power companies have not done so, where they will not do it, or where they cannot do it. That is the ground of the opposition.

Involved also in all the 13 amendments are the following agencies within the Interior Department: Office of the Secretary, Southwestern Power Administration, Bonneville Power Administration, and Bureau of Reclamation. In each case the symbol of the issue is a backbone transmission line, related facility, or related activity.

Let me refer now to certain language in the committee report which makes eminently clear the issue I am discussing. In other words, it is language which, in relation to all 13 of the amendments, shapes up the pattern we are talking about. On page 4 of the committee report appears the following statement:

> The private electric-utility companies, operating in the area of the Southwestern Power Administration, have advised the committee that they will make the entire transmission and related facilities of their respective systems available to the Government without charge to the Government's customers, for the carrying of electric power and energy from the Government-owned transmission system to preferred customers of the Government. * * * The compensation for such transmission and additional energy to be in conformance with the principles found in the contract between the Southwestern Power Administration and the Texas Power & Light Co.

In other words, we were referring to the so-called Texas contract, which has been talked about so much in the past few days.

In other words, Mr. President, private electric utilities in the Southwest have convinced the committee there is no need for further construction of transmission lines by the Government in this great section of the country. The private utilities will wheel federally generated power over their lines in accordance with provisions of the contract between Southwestern Power Administration and the Texas Power & Light Co.

I shall not comment on this contract, although I could. I do not know how many Members of the Senate have read it, but I suspect very few have done so, even among those who have discussed it. But I shall not take the time of the Senate to analyze it fully. It is a long contract. I have a copy of it, however, and I shall be glad to lend it to any Senator who may be interested in the contract.

The contract prohibits Southwest Power Administration from supplying electric energy to any customer outside the so-called preferred class for 18 months after the date service begins under the contract. The penalty for violation of this clause is that the company may terminate the contract by giving the Government 3 years' written notice and that "the Government shall compensate the company by means of a credit equal to the difference between the cost of such power and energy computed at the lowest then effective rate of the Government and the cost of such power and energy computed at the lowest then effective rate of the company applicable to the service to such customer." In other words, the contract requires the Government, as a penalty for serving a customer outside the preferred class, to pay the company the difference between its cost and the Government's cost. This contract may be acceptable in the Texas situation. Neither it nor the policy it represents, however, should be foisted upon other power-producing sections of the Nation without full hearings and debate.

This matter was never discussed as a legislative-policy matter. It was never discussed as a part of the work of the legislative committee which had the duty and the responsibility to determine the Federal power policy.

On page 6 of the committee report is the following paragraph:

> The committee has not approved construction of the Kerr-Anaconda transmission facilities at this time. While the committee recognizes the line must be built, the testimony indicates it is not necessary to commence construction this year. The committee also feels that the question of policy—

Here is the Appropriations Committee again considering policy—

> as to whether the line is to be built by the Federal Government or by a private utility presently serving the area should receive further study before the Bonneville transmission system is extended beyond the present grid, with the necessary integration with Hungry Horse Dam.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. Have the utility companies in the northwestern section of the country indicated any desire to enter into any wheeling arrangement, such as that with reference to which the Senator has been speaking?

Mr. MAGNUSON. I have read the testimony very carefully. I have it marked. They have not said they would build transmission lines. They said, "We have conducted some surveys

through the Electric Bond & Share, which controls the policies of the Montana Power Co. We have made some studies. We have a transmission line. This plan requires a 230,000-volt line, and the Montana Power Co. has a 115,000-volt line." They have never said they would build this transmission line.

Mr. MURRAY. Efforts have been made to induce them to enter into arrangements of that kind with farm cooperatives, but they have always refused to do so. The testimony before the committee by a representative of the Montana Power Co. indicated that they were not interested in the proposition of expanding power facilities. The former Governor of the State of Montana, Governor Ford, who is not opposed to the Montana Power Co., said, in his testimony, on page 667 of the Senate hearings:

> I do not think Montana Power wants to build Hungry Horse. I doubt if they would want to build any of these large, expensive projects.

So they do not appear to be interested in extensive power development. As I say, we have tried on many occasions to get them interested, but without success.

A conference was held between representatives of the Bureau of Reclamation and the Montana Power Co. at Butte, Mont., on April 7, 1947. At that time the officials of the company agreed to consider the matter of wheeling power for the Bureau and refer it to the company's board of directors.

On May 12, 1947, a letter was written to the president of the Montana Power Co. requesting comments on the proposal discussed in the conference of April 7, 1947. No response was received, and another letter was written on July 29, 1947, requesting a statement of the company's position. The president of the company replied by letter of August 13, 1947, indicating that the company had not reached a decision. No further word was received from the company on this matter.

So it is obvious that they are not interested in that kind of an arrangement. Besides, they have such a situation in Montana with reference to public power that they would be foolish, from the standpoint of their own financial advantage, to enter into such an agreement, because they have a monopoly of the power generated at the Fort Peck Dam. If they can prevent this transmission line from being constructed, they can control the power which comes from the Fort Peck Dam. They receive 68.2 percent of all the power, they receive it at a dump rate of 2.5 mills, and they will continue to get it as long as that situation exists, thereby depriving the farmers of Montana from any low-cost power from Fort Peck and from receiving the advantage of priority which Congress intended they should have. The same is true with reference to the Hungry Horse project.

Mr. MAGNUSON. I appreciate the Senator's comment. The backbone transmission line will become a part of the grid system, which will include the Hungry Horse Dam. Until it is completed the people of Montana will not be able to take advantage of the great hydroelectric pool which comes from sources in Montana, Idaho, and Washington.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ECTON. I should appreciate it if the very able Senator from Washington would explain what the Kerr-Anaconda Dam has to do with the matter.

Mr. MAGNUSON. I think I can explain that very easily. This transmission line will be a part of the whole Bonneville grid system.

Mr. ECTON. How will it be reached from Anaconda? Will it run down to Pocatella and around?

Mr. MAGNUSON. It does not have to be run any particular place. It is a part of the system to deliver cheap power to that area.

Mr. MURRAY. Mr. President, will the Senator yield? I should like to explain that situation.

Mr. MAGNUSON. I yield.

Mr. MURRAY. In Montana there is an effort to try to create fear in the minds of the people that this power will not be used in Montana, but that the line is being constructed to Anaconda for the purpose of feeding it out of the State of Montana through lines into Idaho and other sections of the country, and that Montana will not have access to this power. It has been discussed in chambers of commerce meetings. As I say, there is an effort to create alarm that if the power is taken down to this section of the State it will not be used there at all. This of course is not true.

Mr. MAGNUSON. I can say to the junior Senator from Montana that anyone who understands power and its distribution would know that it is not necessary to have a line from one place to another, at least so long as there is a connection with the grid system. The grid system is available to private power companies, farmers, or anyone else, and any place they can tap it they will get the benefit of it.

In my State there are power lines which run in circles. The present plans are that this line would be the terminus of the grid system, where it can be tapped.

Mr. ECTON. I merely asked the Senator from Washington what the Anaconda line had to do with hooking up with Bonneville. I want to know where the circuit will be completed.

Mr. MAGNUSON. It does not have to be completed.

Mr. ECTON. That is what the Senator said. Any fear that has been created in the minds of the people of Montana has been created by the emphasis and the arguments in favor of the Anaconda line.

Mr. MAGNUSON. I think I can explain that. This is my interpretation of what it means, and it is the best information I can get from those who oppose it and those who propose it.

The so-called Kerr-Anaconda is a 230,000-volt backbone transmission line. It will become an integral part of the Bonneville-Pacific Northwest grid system. When dams on the Snake River come into production, an interconnection of similar voltage will be provided. Through this series of facilities Hungry Horse Dam, Snake River dams, Chief Joseph, McNary, Bonneville, Grand Coulee, and other great power-producing dams in the basin will be interconnected to obtain maximum efficiency. This is one part of it. Kerr-Anaconda line itself is a 170-mile facility, and I emphasize again, it is a backbone transmission line to serve municipalities, cooperatives, and REA's, customers in the so-called preferred class, as provided in the Bonneville Act itself, and any other customer who may want to tap it.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Let me finish this thought, and if I am incorrect in this, the distinguished Senator from Montana can correct me.

Mr. President, it takes time to build a facility of this size. Rights-of-way must be obtained, surveys must be completed, orders placed for materials, and finally construction initiated. Hungry Horse is scheduled to come into production in 1952 or 1953. This backbone facility must be ready for use when the first Hungry Horse generators go on the line. Unless this issue is settled now, Bonneville Power Administration will be confronted with an extremely difficult engineering and manpower problem to complete the line on time.

Now I yield to the Senator from Montana.

Mr. ECTON. I should like to ask the distinguished Senator how municipalities, REA cooperatives, or anyone else, can get any benefit from the present plant and the Kerr-Anaconda line when there is absolutely no provision for the building of substations. How can the electricity be taken off that line without substations? I wish the Senator would tell me that.

Mr. MAGNUSON. Of course it is not possible. I do not think that the mere building of a line would be the end of it. Substations come afterward. We are talking about the foundation now, the backbone of the grid. The substations will follow.

Mr. ECTON. Is not that what the committee said, that if it is found necessary and essential later to build them, it will be just as easy and no more expensive to build them then than it will be at the present time?

Mr. MAGNUSON. It may not be any more expensive, but I guarantee to the junior Senator from Montana that if this line does not go through now, next year the same crowd will be back here opposing it, and if it does not go through then, the next year the same crowd will be back opposing it. I have dealt with those groups for years, and I know exactly their pattern. We had better get started now and establish this policy, or we will find the Hungry Horse built, and we will find the State of Montana outside the Bonneville grid system and a hydroelectricity pool.

Mr. ECTON. Does not the Senator understand that Montana is already hooked up with Hungry Horse at Kerr Dam?

Mr. MAGNUSON. Parts of it.

Mr. ECTON. And also hooked up through Thompson Falls to Spokane.

Mr. MAGNUSON. Parts of it are hooked up, but not all of it, and what is proposed is going to hook up another great section of Montana. That is all it amounts to.

Mr. MURRAY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the senior Senator from Montana.

Mr. MURRAY. That illustrates the point the Senator made when he started his discussion. It is true that Hungry Horse is hooked up with Kerr Dam, which is owned by the Montana Power Co., and if they can hold it there, and have no line to Anaconda they will have a monopoly of the power in the State of Montana. The purpose of the Kerr line coming down to Anaconda, the Kerr-Anaconda line, is to bring the power into an area which has enormous resources for development, something very important to our State. Of course, I can understand how the representatives of the Montana Power Co. are not very much interested in developing those resources. They are interested in holding rates high for their concern. It is not a Montana concern. The stock in the local utility is owned in the East. It is a subsidiary of the American Power & Light Co., and the American Power & Light Co. is owned by the Electric Bond & Share. So they are not much interested in letting Montana have access to this low-cost public power.

The manager of the Montana Power Co. testified at the hearing here, and stated that Montana was not a State which should expect any industrial development, that it was a State which depended largely, or principally, on agriculture and livestock raising. As a matter of fact, Montana is one of the richest States in the Nation from the standpoint of raw materials, from the standpoint of great resources. One little hill in Silver Bow County produced $3,000,000,000 of wealth, one single hill something like a mile in area, in the section concerned here. In the area where this line is going there are enormous deposits of phosphate rock, manganese, tungsten, and other minerals. So that it is very important to our State, if we are to get any industrial development at all, that we should get this line carrying low cost power down there.

The truth of the matter is that Montana has been held back all these years, and we have been losing our population. There are fewer people in the State of Montana today than there were 30 or 40 years ago. When I first went to Butte, the population was 80,000 to 90,000. Today it is 40,000 or 50,000. The State has lost much of its population. The Bureau of the Census shows that we have lost 12.7 percent in population.

The reason for that is that we have no balanced economy. We have a raw material economy. We merely produce cattle and wheat, and ship this phosphate rock and other raw materials out of the State, and make no attempt whatever to develop industries, so as to provide a balanced economy, and provide opportunities for the young folks of the State of Montana when they graduate from our schools and colleges, so that they may be able to remain in Montana. One of the most important things to the whole economic development of our State is to have this transmission line bring power down to the area it would serve, where we can develop industries.

Mr. HILL. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Alabama.

Mr. HILL. The distinguished Senator from Montana referred to the Montana Power Co. Is it not a fact that the records of the Department of the Interior show that in 1947 that Department, which is charged under the law with the disposal of the power generated at reclamation dams, requested that the Montana Power Co. provide a general wheeling service in order to enable the United States to serve preference customers, and that the request was twice repeated? The only reply the Department received was that the wheeling question was being considered by the Montana Power Co.

I have here a copy of a letter, under date of August 9, 1949, addressed to the distinguished chairman of the Senate Committee on Appropriations, the senior Senator from Tennessee [Mr. MCKELLAR]. The letter was written by Mr. Wesley R. Nelson, the Acting Commissioner of the United States Bureau of Reclamation, in the Department of the Interior. Mr. Nelson confirms what the senior Senator from Montana [Mr. MURRAY] said about the fact that the Montana Power Co. has been requested to provide a general wheeling service, and that they had never agreed to do so. All they would ever say was that they were considering it. Mr. Nelson said—and I call this to the attention of the Senator from Washington, as well as of the Senate:

> Further light on the attitude of the Montana Power Co. in connection with wheeling is shed by the fact that the company has been unwilling to entertain arrangements for the wheeling of power even for the purpose of supplying construction power at the Hungry Horse and Canyon Ferry projects, both of which are under construction by the Bureau of Reclamation.

In other words, the Montana Power Co. has refused to engage in the wheeling of power to bring any power over their lines even for the construction of these two great projects.

Is there anything in this record which would lead anyone to believe that the Montana Power Co. is simply waiting, eager and anxious to wheel this power for the Government, if we do not appropriate in this bill, as the House did, the money to provide for these transmission lines?

Mr. MAGNUSON. The Senator referred to the testimony, and I could refer other Senators interested to page 1176 of the hearings on the Interior Department appropriation bill, and subsequent pages, where the facts of this case are brought out very clearly.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. I remember very well the situation referred to by the distinguished Senator from Alabama. The Montana Power Co. opposed the construction of the Hungry Horse Dam from the very beginning. That company claimed the construction was unnecessary, and opposed it. Representatives of the company came to Washington and appeared before congressional committees and objected to construction. Agents of the company in the State of Montana contended all the time that there was plenty of power in Montana and that the construction of the Hungry Horse Dam was entirely unnecessary. It was not until after the public utilities in the Pacific Northwest, in Oregon and in Washington, came to Congress and supported the program for the construction of the Hungry Horse Dam that the Montana Power Co. finally admitted that it should be constructed. That was, of course, after we had secured authorization to go ahead with the work. But right up to the very time that construction of the dam was authorized the power company opposed it. That is well known, and no will one dispute that statement.

Mr. MAGNUSON. I am sure the senior Senator from Montana will agree with me that we had the same experience in my State. For the past 17 years hearings have been had before congressional committees, since the proposal for construction of the Grand Coulee Dam on through to this day, and power companies have opposed such construction. I have before me an immense number of pages of hearings which will show that to be true. We have had the same experience that Montana has had with respect to the Hungry Horse Dam, in connection with which the Montana Power Co. said the State already had enough power, and opposed construction of the dam. After almost quadrupling our power output in the Pacific Northwest, we are still short of power. I must admit that because of the fact that we have done what we have done we sell power at the cheapest rate it is sold anywhere in the world.

The same pattern has been followed by the power companies with respect to all proposed construction of dams. Back in 1938, in 1936, and clear back to the beginning of Grand Coulee it will be found that the private power companies in Washington followed the same pattern as is now being followed, as Senators can find from reading the same type of statements year after year and year after year. But we went ahead in spite of the statements of the private power companies, so now the people of my State have cheaper electric-power rates than anywhere else in the world. I think 95.7 percent of all our farms are electrified, and we are not going to quit until 100 percent are electrified. I should like to see the same thing happen in Montana, but it will not happen unless Montana gets the cheap power from the great Bonneville grid running all over the great Northwestern States, to which power could be contributed from the Hungry Horse and all the streams of the Columbia Basin.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. The able Senator from Washington has explained the situation very clearly. The strange thing about it all is that the same utilities who so strongly object to the program would tremendously benefit from it if they would only get back of it. The former Governor of the State of Montana, former Governor Ford, who is a very close friend of the officials of the Montana Power Co., testified at the committee

hearings that those officials should become more progressive and more liberal-minded in such matters as these, that affect our economic life because they will benefit along with the whole State of Montana from construction of the Hungry Horse Dam.

Mr. President, we had a very peculiar situation in Montana during the war. We have enormous deposits of chrome in the State of Montana which became very important to our defense during the war. We opened up the chrome mines and started to ship chrome ore all the way from Montana to Pittsburgh and Niagara Falls for treatment, because we do not have the facilities necessary for treatment of the ore in Montana. The businessmen of the city of Billings formed a committee and that committee went to Butte to see the Montana Power Co. about getting power in order to build a ferrochrome plant at the point where the ore was produced, in order to avoid the great expense of shipping it. The Montana Power Co. told that committee it could not let them have the power, that the company did not have the necessary power. The company said also that it did not have a line heavy enough to carry the power. That is an illustration of our failure to secure development of the State because of lack of power.

Mr. MAGNUSON. We had the same experience, and testimony ran along the same line and in the same pattern when we attempted to build transmission lines into the Spokane area. We would never have had the aluminum plants there had we followed the line and pattern of testimony presented by the power companies, which was the same as that presented in opposition to the Kerr-Anaconda line. We have the aluminum plants now because we proceeded to construct transmission lines. Unless Montana proceeds with its proposed program, it will not have plants similar to ours built in that State.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ECTON. Does not the Senator realize that all during the war Montana exported power into the Senator's area? So if there was any shortage of power in the State of Montana during the war the Senator can bet his bottom dollar that all our surplus went over into his area to help win the war.

Mr. MAGNUSON. I think the junior Senator from Montana proves the point in favor of the transmission lines. If we did have any surplus during the war it was probably such surplus power as Montana sent to us. Montana did not have any war industries, because Montana could not supply them with power at that time. Montana did not have the great power load necessary for the operation of great war plants, so we probably said to Montana, "If you have a little extra power send it to us." We needed it for the operation of the great atomic energy plant and aluminum plants.

Mr. ECTON. The Senator is correct. We did not have any large war industries operating in our State during the war, so who is to blame?

Mr. MAGNUSON. I do not think anyone is to blame. Montana did not have the facilities.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. The reason we could not get any great war plants built in our State during the war is that we did not have the necessary power. Power is the chief necessity in connection with the operation of such plants. Also we did not have a sufficient supply of skilled workers in Montana. Montana has been held back. Montana has been held down to a raw material economy, without adequate power or any industries whatever. So it was not natural for us to secure war industries because we did not have the power and did not have sufficient workers. Our workers had left for other sections where industries existed.

Mr. ECTON. Montana was exporting power, I will say to my colleague. Montana must have had power, because we were sending a great deal of it into the Bonneville area.

Mr. MAGNUSON. I think I can explain the situation. Montana was sending out a little power, but not very much. In comparison to the big hydroelectric pool of the Bonneville grid system, Montana was not exporting very much power. What little power Montana sent out of her borders was sent by reason of the press of war industries, the great increase of population, the establishment of the aluminum plants, and particularly the building of the great atomic energy plant which used a great amount of power during the war. Montana does not now have sufficient amount of power. Montana will never have enough power until the necessary dams are constructed, so every farm home in that State has an electric line running to it carrying cheap electric power, as we have in the State of Washington. Montana in time can have it. But there is not now enough power produced in Montana.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ECTON. The Senator from Washington certainly realizes, does he not, that since the war a great many generators have been added in his area. Of course, I know Senators can talk and brag now that they have a tremendous amount of power in their section of the country due to the construction of great dams. But they were not all in operation during the war because generators could not be obtained. Even the Bonneville Administrator, Dr. Raver, testified before the committee time after time that there would be a power shortage in the Senator's section of the country for the next 5 or 7 years. So why does the Senator want a stub line to be run down to Anaconda where we have no use for any more power at the present time? Why not keep it in the Senator's State and use it until we get all our dams built?

Mr. MAGNUSON. I believe the junior Senator from Montana is a little bit misinformed about the situation. We had not completed all our generators in Grand Coulee. As the Senator said, during the war we shifted many of these power factors around in order to make a complete load. We had some generators built for Grand Coulee, and we could not put them into operation because of the war, so we shipped them to Shasta so they could use them there to produce power. Since the war we have started again installing generators. I do not know how many have been added to Bonneville since the war—perhaps the Senator from Oregon [Mr. CORDON] can inform me—but we have just put into operation the first three at Grand Coulee. In fact, I had the great pleasure and honor of going there not more than 3 months ago when the button was pressed putting the three generators on the right side of the dam into operation. Our power situation has not been substantially changed since the war, with that exception. Those generators have just been placed in operation.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. Is it not true that there was a tremendous power development at Bonneville?

Mr. MAGNUSON. That is true.

Mr. SPARKMAN. And a great power development at Grand Coulee.

Mr. MAGNUSON. Yes.

Mr. SPARKMAN. There were transmission lines tying that power together and making it available for whatever area needed it.

Mr. MAGNUSON. By doing what is suggested be done here, we were in a position to pool our power. For example, in the Bonneville pool today there is not only the power from Grand Coulee and from the Bonneville Dam itself, but there is power from some of the private utility dams, power from the great Seattle city light plant, and the Tacoma city light plant. All that power is pooled, so that we can fully utilize all the power to provide cheap rates. During the war we provided the tremendous amount of power which was needed, and which was responsible for the great development of the atomic bomb. All we are attempting to do in this instance is to do the same thing for the great western area of Montana.

Mr. SPARKMAN. That is exactly what the situation was in the Tennessee Valley. The same battle which we are fighting today arose in 1935, 2 years after the TVA Act was passed. My colleague, the able senior Senator from Alabama [Mr. HILL], was at that time the ranking member of the Military Affairs Committee of the House, which had jurisdiction over that legislation. One of the great fights in Congress was with reference to the connection of the dams in the Tennessee Valley with Government-owned transmission lines, which made it possible during the war to shift power up and down the valley, and over the entire area, wherever it was needed. As has been so often testified, without the Tennessee Valley Authority and its great power reserves, and similar areas such as the Bonneville and the Grand Coulee, tied together with Government-owned transmission lines, we never could have developed in this country the arsenal for democracy which we did develop.

Mr. MAGNUSON. There can be no question about that. That is the same experience we went through in the Pacific Northwest.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HILL. As my colleague from Alabama so well knows, we did not stop with tying in the Government dams in the Tennessee Valley. We tied the Tennessee Valley in with the surrounding private power companies, so that the entire resources of power would be pooled. The entire area was tied together in order to obtain the maximum power benefits. Is not that true?

Mr. MAGNUSON. That is true.

Mr. HILL. And in order that our power systems might be operated on the economical and business-like basis.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. While we are discussing this question, we may get away from something which we ought to bear in mind. It is not altogether a question of furnishing power for industry, important as that is, or furnishing power for our national security. We are also all interested in furnishing power for farm homes. It has often been stated that in the Tennessee Valley we had an area which was backward, economically speaking. Certainly from the standpoint of rural electrification, we had very little rural electrification. But today in practically every county in my section of the State of Alabama we have almost a 100-percent rural-electrification program, which never could have been made possible had it not been for the interlocking of the various dams and power systems in that area.

Mr. MAGNUSON. I thank the Senator. I repeat that the situation now before us is similar. We are considering a backbone facility which will become an integral part of the great Bonneville grid system, which includes all the States which contribute their water, their dams, and their natural resources to make up the pool.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. HILL. The Senator stated that he had been in this fight for some time, and that there has been the same fight year after year. That is absolutely true.

I was very much interested in looking at the hearings on the Department of the Interior appropriation bill for 2 years ago, 1947. At that time the private utility and power companies were seeking to defeat construction of these projects and the building of transmission lines where their construction was necessary. They sought then to have the power from such projects, as the power came into being, sold by the War Department rather than by the Department of the Interior, as section 5 of the Flood Control Act of 1944 provides.

What were they doing? That was simply another attack on the program. They knew that section 5 of the Flood Control Act of 1944 applied to the Department of the Interior. It laid down the policy and the basis on which the power should and could be sold. If the power companies could only get a little amendment in the appropriation bill and have the power sold by the War Department instead of by the Department of the Interior, that would defeat the policy, because the War Department would not be controlled by section 5 of the 1944 act.

That is a perfect illustration of what the Senator from Washington has said. Year after year we have the same old fight. Year after year we must defeat the utilities. At one time they are trying to take the power-development program out from section 5 of the 1944 act by having the War Department sell the power. This time they say, "Do not give them any money. The power companies will wheel the power. Let them come back to Congress next year." But it is the same old fight, is it not?

Mr. MAGNUSON. It is the same old fight. I have before me a list of hearings, dating back to 1935. They contain the same type of testimony, year after year. If the power companies cannot accomplish their ends in that way, they will get someone to sponsor a bill such as the infamous Rockwell bill which was before Congress at one time. That was another roundabout method to stop the advance of distribution to the people of power at cheap rates. What the Senator from Alabama says is correct. The power company representatives in my area have opposed this program time after time.

I remember when I first came to the House. One of the first subjects for consideration was the annual appropriation for Grand Coulee Dam. The testimony of the private power people in my area was to this effect: "What are you going to do, build this massive structure out in the desert? We have enough power." They always say that there is enough power. There is never enough power. They said, "We have enough power. What are you going to do, sell it to the jack rabbits that run around out there?"

The project was not even completed before the power was all sold. We need more and more. We shall never have enough power in this country until every farm home has the advantage of electricity. That situation does not exist in the State of Montana. It does not exist in about 46 States of the Union. We shall never have enough power until every farm home has the advantage of electricity at reasonable rates. We can bring that about, but we cannot do it without a program such as is envisioned here, which Congress says should be carried out. The Bonneville Act itself says that. Any time we follow the advice of the power companies, who say, "Do not build transmission lines, we have enough power," we retard the development of the program and interfere with the rights of the people, who put so much money into these dams, and their ability to get cheap public power, which is so much needed, or cheap power from some other source.

It is the same old story. It has never been changed. Senators can find the same story in the hearings year after year, from the beginning.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HILL. My colleague, the distinguished Senator from Alabama [Mr. SPARKMAN], who represented the Tennessee Valley district of the State of Alabama in the House of Representatives, and who knows the situation there so well, referred to the great increase in power for farm homes in that valley under the TVA, in connection with the Government plan.

The Senator referred to my service on the House Committee on Military Affairs. I sat in the hearings held by that committee when representatives of the private power companies appeared before the committee. We asked them, "Gentlemen, why do you not carry your lines out to the farm homes? Why do you not give the farmers rural electrification?"

They said, "It cannot be done. It would break not only any private power company, but even the Government of the United States." Yet in the face of bitter opposition from the private power companies we went forward with our REA program. We have gone forward with these great power projects; and because we have gone forward we have a great deal more rural electrification today than we would otherwise have. That program is responsible for so many farm homes having the benefits, comforts, and blessings of electricity. We shall not fulfill our responsibility, we shall not meet our duty to the farmers and the farm families of this country, until we carry this program forward, as the Senator from Washington has so well suggested, so as to make it possible for every farm home in America to have electricity, exactly as practically every urban home in the United States has electricity.

Mr. MAGNUSON. Mr. President, along the lines of the same argument which has been made here, to the effect that there is plenty of power, let me say that we can find at the Federal Power Commission from their charts—I am sure they could be submitted here—that the more power available, the more power is wanted and the more power is used. Of course, those who oppose that development can point out the situation in a certain county which does not have cheap electric power, and can say, "No one here wants more power; there is enough power here now." But we find that when cheap power is made available to the people, the domestic use of power will quadruple in 10 years.

Mr. HILL. And the way to make cheap power available is, as in the case of other industries, to use mass production.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LUCAS. I suggest to my friend the Senator from Washington and my friend, the Senator from Alabama, that they are taking quite a chance, in making the argument they have been making, because when they ask that cheap electricity be provided for every farm home in America, they will be charged with advocating statism, socialism, or

collectivism. They will be charged with supporting the Fair Deal and the New Deal.

Those who oppose these fine programs have for the moment wandered away from the charge of "regimentation," and today they charge "statism" or "collectivism." In other words, they have been beaten on the slogans with which they have tried to frighten the American people, and which they have used in an attempt to get into power, and now they have found something new in the term "statism." They make that charge because the Congress of the United States, through a program of self-liquidating projects, desires to place electricity in the home of every farmer, and to give every housewife in a farm home an opportunity to use an electric refrigerator, one of the most convenient and comfortable things a housewife has ever had.

Mr. MAGNUSON. And even a deep freeze? [Laughter.]

Mr. LUCAS. Yes; they can have deep freezers if they want them, for at the present time they have the money with which to buy them, too, as a result of the program of the Democratic administration.

Mr. HILL. Mr. President, when the Senator from Illinois says the farmers of the United States have the money with which to buy such equipment and put in such electric lines, he is not suggesting, I hope, is he that the farm program which makes it possible for the farmers to buy such things, and which brings to the farmers good prices for their crops, as a result of which they can buy such things, is a program of statism?

Mr. LUCAS. Mr. President, let me say to my friend, the Senator from Alabama, that in the eyes of some people the farm program is a program of regimentation. This morning when I was in the Committee on Agriculture I heard something said about regimenting the farmers of the United States. However, every so-called regimentation program which has been established, so far as agriculture is concerned, has been established by the votes of the farmers themselves.

In view of the cry and charge of statism, socialism, collectivism, and goodness knows what not—and no one can tell what the next cry or slogan will be—I ask the Senator whether any American citizen has had any of his liberties taken away from his under the Democratic administration that has been in power for the last 16 years. That is a question to be answered.

Mr. MAGNUSON. Mr. President, I say to the Senator from Illinois that of course that has not happened. This program has given the American citizen the right to exercise his liberties to an even greater extent than he had been able to do before.

But I am glad the Senator from Illinois brought up the point that the Senator from Washington may be accused of favoring or fostering statism, collectiveism, or whatever it may be called. I assure the Senator that on this particular question, I have very thick skin; I am an old hand at this. I remember that when I was a very young man in the State legislature, many years ago, I introduced a bill. I represented my home town of Seattle. We had a great city-light plant. We were pioneers in that development. We were selling cheap power to the people. The private-power company was selling electric power at the same rates at that time. Of course, it was very much of a coincidence, let us say, that the minute the city-light plant was built, there were 17 reductions in 8 years from the original private electric company power rate. But the private power company was going along, and Stone & Webster in Boston were getting their dividends, and we were getting along fine. However, certain State legislation did not permit the sale of municipal power outside the city limits. A friend of mine who lived on Eighty-fifth Street was beyond the city limits, but on the other side of the street there was a friend of mine whose house was in the city limits. The electric power rate on the north side of Eighty-fifth Street was 3 times the rate on the south side of the street where people were being served by the city. I thought that situation should be changed, so I introduced a little bill which would allow municipalities to sell power outside the city limits if anyone wished that to be done. I was immediately charged with being a Socialist; that is what those of us who took such an attitude were charged with in those days. The representatives of the private power companies really gave me—they regarded me as a young whippersnapper—a bad time. They have been at it for a number of years. I do not blame them. That is their right. But I say we have developed a public power policy. Just as they have developed a pattern of opposition, we have worked out a pattern of development.

There is a question here. I agree with my distinguished friend, the Senator from Oregon, that there is a question of policy. I do not disagree with his conclusion when he says that, in effect, the Appropriations Committtee has said that we should not build these lines, but should let things more or less happen as they will, and perhaps a Texas contract will be developed in Montana. Mr. President, my experience in the Pacific Northwest has been that there will not be any Texas contract. If we in that area had waited for a Texas contract we would be 20 years behind in the building of dams and in affording cheap electric power to the people in that area, as well as to the people elsewhere in the United States.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. Let me say to the Senator from Washington that I am in entire agreement with him with reference to the Texas contact as a pattern for any contract in the Columbia Basin. The Texas contract is predicated upon the sale of peak power to be used with base or firm power, whereas in our area we have firm power. If there is to be a contract of the character the committee had in mind, it would of necessity be either a wheeling contract or a contract for sale to a distributing agency, with safeguards requiring the production and distribution of power upon the basis set forth in the contract itself.

Mr. MAGNUSON. I agree with the distinguished Senator—we have talked about this matter many times—that this is a different situation. But anyone who thinks that the public power in this country has been developed to the extent it has by means of waiting for such agreements, I think is sadly mistaken. I believe it to be true that even in the case of the Texas contract—and as I have said before, I have examined some of the contracts—the private power companies denounced such a contract, as the Senator from Oklahoma has well stated, as iniquitious and criminal, and said they would not enter into such a contract. The other power companies that have built the power lines up to southern Missouri said, "Frankly, we did not think the Federal Government would appropriate the money" but now they are willing to enter into such arrangements. That is what this situation amounts to.

Of course, I agree with the Senator that in the case of the Kerr line, the situation is a little different. But I think the pattern of the opposition is the same.

I agree that a policy is involved. However, I think the policy has long been determined and resolved. I think the Congress has said time and time again over that kind of opposition, "We are going ahead to build these grid systems and these dams and put these power pools together so that the people may have the benefit of cheap electric power." The private power companies benefit from it, too. The sale of that power at the bus bars has been most important to them.

The Senator from California has participated for many years in discussing the famous Shasta Dam power question.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HILL. This program has been of great benefit to the people and also to the private power companies, for it has provided important sources of power to them for many years. Is that not true?

Mr. MAGNUSON. That is correct.

Mr. HILL. Instead of being harmful to them, it has provided markets for the sale of their power, has it not?

Mr. MAGNUSON. That is correct. In many cases it has worked to their great advantage. That is possible in the Pacific Northwest, regardless of what has happened in the past. We have now found that we can all work together. That includes all the companies—private power companies, municipal power companies, the REA's, the public utility districts, all the units involved in furnishing power to the public.

Mr. SPARKMAN. Mr. President, will the Senator yield, at that point?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. With reference to the helping of private utilities, I am sure my colleague, the senior Senator from Alabama, who was in the midst of that fight, and my colleague, the Senator from Washington [Mr. MAGNUSON], who likewise was in the House at the time of the early fights which took place regarding TVA, will recall that the same cry was made that we were driving those companies out of business. Yet, as I am sure, my colleague will remember, back in those days, in our own State, the Alabama Power Co.'s stock was selling for about 50 or 60 cents on the dollar.

Within the short space of 2 or 3 years, we saw the stock go above 100 cents on the dollar, even though their territory had been limited, even though the competition against which they cried so loudly had come into existence. Instead of what they feared, they had seen their own users increase power consumption sharply. They had taken the lesson from the Government's program and the TVA's program of extending lines through the country. They had gone into a vigorous program of their own of extending rural lines, as a result of which the number of customers increased and the consumption of power increased until everybody profited from the arrangement.

Mr. MAGNUSON. I may say to the Senator from Alabama I am sure that is true of his area. The cold, hard figures in the Pacific Northwest, since the program has been developed and under way, have shown that in each 10-year period the domestic requirements have doubled. The same thing has occurred during the past 9 years, and is expected to occur for the period ending in 1960. The argument that there is plenty of power simply does not hold water. Surely, there is plenty of power for the existing private systems, that say, "We are serving our customers"; but they do not appreciate the fact that, should there be cheaper power, should the power pool be integrated, and the various factors brought together into efficient operation, the demand from their own customers would be greater and greater. The curve on the chart goes up as more power is made available to the consumers.

Mr. President, I also want to point out that, although as I previously said there are some differences in respect to this specific amendment, the pattern is the same. In the case of the Kerr-Anaconda line the question of duplication is raised. The question of duplication is always raised in the building of Government transmission lines. In this particular case there is no duplication. There is at present a line which is not adequate to serve the needs, as pointed out in the testimony. As further shown by the testimony, and as pointed out by the senior Senator from Montana [Mr. MURRAY], and so far as I can ascertain, from the hearings, there will be no attempt on the part of the Montana Power Co., or at least no specific plan, to build as a further facility the 230,000-volt line which is needed.

As I said before, there is a question of policy. When the committee suggests a postponement of the commencement of the construction by saying, "The committee feels there is a question of policy as to whether the line is to be built by the Federal Government or by the private utility presently serving the area," I agree there is a question of policy. I submit, however, the policy was established when Congress passed the Bonneville Act. The committee's action adds up to a reversal of that policy.

In the hearings before the committee, during the last 3 years, certain members have questioned whether a clear-cut policy is being pursued by the Bonneville Power Administration. I maintain there is. In the Pacific Northwest, the Bonneville Power Administration has consistently constructed the backbone transmission lines to bring power from Federal dams to major load centers. That is where this is going. In addition, the Administration has constructed substations for prospective customers. I suspect they will do the same thing again. I do not know any reason why they would change their policy in this case. Those customers have taken Federal power into their own lines on the low side of the substation.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MURRAY. Is it not true that the utility companies in the Senator's section got together in 1947 and approved the policy of the Bonneville Power Administration, and made a declaration of policy?

Mr. MAGNUSON. That is correct. It was the famous Tacoma declaration.

Mr. MURRAY. In that declaration of policy they recommended the building of the transmission lines. I quote from it as follows:

> As a result of these extended deliberations, and detailed load studies, it is determined and agreed that new Federal generating capacity in the amount of 318,000 kilowatts, over and above the 745,000 kilowatts of generating units now on order, will be required between now and November 1, 1949, to meet the original critical supply problem.

But it goes on to say:

> Inasmuch as these Federal generating plants are located at a considerable distance from the region's load centers, and inasmuch as present transmission facilities of the Bonneville Power Administration are already approaching conditions of full load, it is agreed as essential that appropriations for backbone transmission facilities be made available to the Bonneville Power Administration on an annual and continuing basis adequate to provide a means for the delivery of power to load centers.

Mr. MAGNUSON. That is correct. Not only is that true, and not only does the act set forth that policy, but Bonneville Power Administration, throughout its existence, has consistently constructed backbone transmission lines to bring power from Federal dams to major load centers; and that is what this is. In addition, the Administration has constructed substations, as I pointed out, and the Congress each year has concurred in that policy by making funds available for backbone lines and related substations.

That is why it was difficult for me to understand the sudden reversal which occurred in the Appropriations Committee. Had a legislative committee taken up the problem and decided that perhaps the policy to which the Congress from year to year has adhered and to which it has given its approval should be changed, there might have been, in my opinion, some reason for it.

The Bonneville Act states that the Administrator shall build transmission lines and related facilities to serve its preferred and other customers. This it has done. It has been doing it for many years, and this is only a continuation of what it has been doing and what Congress has approved for many years. Why, all of a sudden, a group which consistently has opposed the general policy of building dams and transmission lines along the suggestions made should come forward and undertake to convince the Appropriations Committee it should make a complete about-face, particularly along this line—and I believe the same is true in regard to other lines—I cannot quite understand. Surely we have consistently followed that policy. As I said, if the policy should be reversed, it should not be done through a Federal appropriation bill. If the sale of federally generated power at the bus-bar is to be our future policy, the issue should be settled by a legislative committee of the Congress. The Congress itself should have an opportunity to vote on the issue in a clear-cut manner, so that the people who send us to Congress may have an opportunity to raise their voices either in approval or in dissent.

When the Eightieth Congress convened, Mr. President, the power lobby moved into Washington, D. C. Soon there appeared a rash of legislation designed to reverse the power program the people of the country had established under a Democratic administration. There was the so-called Rockwell bill, which sought among other things to take from the Department of Interior authority they had long exercised to use the interest on power features to assist irrigators on reclamation projects. There were the Miller bills, which sought to segment the authority of the Federal Power Commisison over navigable streams. There were the Dondero bill and the Thomas bill, all supported by the private power lobby—all designed to establish in some degree a sale-at-the-bus-bar policy.

One of our leading columnists commented on this situation as follows:

> It means the big boys in the utilities are now convinced that the Republicans will take over the whole Government in the next election and there is no longer any need for them to be timid nor keep to their holes to which exposure of their tactics drove them in the days of activity in public power.

Fortunately, there were enough men of good will and common sense on both sides of the aisle in the Eightieth Congress to relegate these proposals to committee pigeonholes. What the power lobby failed to accomplish by frontal attack they now seek to achieve by a flanking movement through this appropriation bill.

I do not impugn the motives of the members of the committee, but it seems to me that what certain persons have failed to do by these bills has been accomplished by a flanking movement through this appropriation bill.

Mr. President, I realize there are wide differences of opinion among Members of Congress and among the people concerning Federal generation and distribution of power. I hope a majority of us believe that to distribute benefits of this great investment to the people themselves, the Federal Government must build backbone transmission lines.

I hope the majority of us are unalterably opposed to a sale at the bus-bar policy—to a policy which permits a private monopoly to inject itself between a

power-hungry people and the electric energy their investment produces.

In the Columbia Basin the people of this Nation have already invested over $500,000,000 in dams, powerhouses, backbone transmission lines and related facilities.

We have already gone ahead with these investments, and it is merely a continuation of what we have been doing, and what Congress has approved all these years.

When dams under construction and authorized are completed, the people of this Nation will have an investment of one and three-quarters billions dollars. There are now before the Senate Public Works Committee bills which, if approved, will authorize a program calling for the investment of an additional $3,000,000,000.

The benefits flowing from this tremendous investment of the people's money should be distributed as widely as possible among the people themselves. The entire Nation will prosper through this investment, including the private utilities; but if we prohibit Bonneville Power Administration from building a backbone transmission line, which is an integral part of this whole development, an inordinate share of the benefits will go to a private company. A very few will profit inordinately from the investment of the many.

The people themselves, through the rate they pay for power generated at Federal dams, reimburse the Treasury for funds invested. They should not be required to repay the investment and simultaneously pay tribute to any private monopoly.

There may be cases, Mr. President, where the most economical and sensible arrangement is to wheel federally generated power over private utility lines. The cost to the Federal Government for that service, however, will depend largely upon the alternatives the Government has for disposing of the energy.

There is nothing in the policy we have been pursuing which prohibits it being done if it should be done in certain cases; but surely the policy of the Appropriations Committee would prohibit what we have been doing in relation to our Federal power policy in past years.

Once the Congress says to the Department of the Interior, "You cannot build this transmission line," we take away from the Government its bargaining position. If the Department has no alternative but to sell at the bus bar to a private utility, I am sure most Members of this body can visualize what the ultimate result will be.

In September 1948 one of the Republican leaders in the House of Representatives wrote a very interesting article for a publication called Public Utilities Fortnightly. At that time many leaders of that great party were convinced there would be a change in administration. He assured the readers of the publication that when his party gained control of both the Congress and the White House there would be a drastic change in our Federal power policy.

I quote just one key sentence from his article:

If Uncle Sam is to build these dams and power facilities—as he must in many instances unless he can contract to have private agencies do the work—then the Government should follow a policy of selling the power at the bus bar or at the dam, to all comers, without favoritism or discrimination.

Here we have in a capsule the issue represented by the 13 items in this appropriation bill.

I stated earlier that it is 170 miles from the Kerr Dam to Anaconda. The author of the article says the Government should follow a policy of selling power at the bus bar to all comers without favoritism or discrimination.

That sounds very well. It is a good, high-sounding phrase, but what actually happens is another story.

How many REA's or cooperatives or municipalities can afford to build 170 miles of transmission line to take advantage of this so-called nonfavoritism, nondiscrimination policy? Such a policy would be the rankest kind of discrimination. It would mean the private utilities of this country would be the sole beneficiaries of the people's investment in power-producing dams.

I revert to my opening thesis. The committee amendment on page 5 of this bill proposes to eliminate an appropriation of $70,000 needed to finance a power marketing survey in the Southeast. The amendment should be defeated. It is the first in a series of 13 items, which taken together constitute a pattern—a pattern fashioned by the private power lobby—a pattern which places the camel's head under the tent—a pattern which was a major issue in the last campaign—and a pattern which, if permitted to prevail, will deprive the people of this country of maximum benefits from the money they are investing in power-producing dams.

Mr. President, I shall not burden the Senate any longer. I wish, however, to place in the RECORD at this point an article by Thomas L. Stokes entitled "Power Project Fight"; an able article written by Peter Edson, entitled "Joker"—and that is what it is, Mr. President; and an article from the Wenatchee World, entitled "In Our Own World," with the subtitle "Still the Battle for the Columbia."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of August 3, 1949]

POWER PROJECT FIGHT—ELECTION RETURNS FROM FAR WEST FAIL TO SEEP INTO SOME QUARTERS OF SENATE

(By Thomas L. Stokes)

The far West and Pacific coast contributed heavily to President Truman's surprise election victory last November.

A big factor in his strength in that area was his forthright stand for Government transmission lines from the great public projects there, so-called multiple-purpose projects because they furnish irrigation, reclamation, and electric power. But the election returns seem not yet to have seeped into certain quarters. The Senate Appropriations Committee has deleted funds that the House voted in the Interior Department Appropriation bill for construction of eight Government transmission lines from projects in California, Oregon, Idaho, Montana, and Colorado, as well as for money for two Government power plants and six substations. It likewise reduced appropriations for transmission lines for the Southwestern Power Administration in Missouri, Oklahoma, Arkansas, and Texas, and eliminated funds for contracting and marketing power from flood-control projects in eight southeastern States.

YIELDED TO BIG UTILITIES

The committee yielded to the great private utilities involved, which want to build their own lines from the Government projects so they can control distribution and sale of the power themselves.

In a few days the issue will be fought out in the Senate, where an attempt will be made to restore the funds voted by the House for Government construction of the transmission lines and other facilities. It is a basic issue. If the private utilities should win, this would reverse a policy for equitable and adequate distribution of power from multiple-purpose projects that was laid down by Congress as far back as the 1906 Reclamation Act and reaffirmed and strengthened by Congress from time to time since, most recently in the 1944 Flood Control Act.

The outcome is of national interest, for the principle involved applies to projects elsewhere in the country other than those directly affected in this bill which, as can be seen, are widely scattered.

This transmission line battle represents the latest strategy of the private utilities to check and control the public power program. For many years they tried to prevent approval by Congress of multiple-purpose projects. They are still busy at that in their fight against creation of authorities for the Missouri River Valley and the Columbia River Valley, the MVA and CVA, patterned after TVA in Tennessee. But Congress has approved many projects. The aim now is to hamstring these, along with trying to stop the authorization of others.

POLICY LAID DOWN

The policy laid down by Congress in successive statutes for the multiple-purpose projects is threefold. Preference in sale of power must be given to municipalities, other public corporations or agencies and to cooperatives and other nonprofit organizations. Rates shall be the lowest consistent with sound business principles. Power shall be distributed so as to encourage the widest possible use and to prevent monopoly.

If a single private utility controls the distribution and sale of power in an area, as would be authorized in the cases involved in the Senate bill, these objectives could be diluted. It could withhold its service from certain areas or certain customers. It could fix its rates, since it is the sole purchaser of power from the Government. The Government without transmission lines of its own, could not move to prevent monopoly.

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[From the Washington Daily News of July 27, 1949]

JOKER

(By Peter Edson)

A huge joker has been found in Senate Appropriations Committee recommendations against the building of Government transmission lines from Bureau of Reclamation power dams.

It relates to proposed orders that the Interior Department make contracts with Pacific Gas & Electric Co. and Idaho Power Co., similar to a contract now in force between the Government's Southwestern Power Administration and the Texas Power & Light Co.

The catch is that the Texas Power & Light contract was a special agreement made to fit peculiar circumstances not found in the California and Idaho areas. Forcing a Texas Power & Light type contract on other power projects would in effect restrict the Government to developing only secondary power to supplement primary power developed by the private companies.

The Texas contract was drawn up to handle only the public power developed at Denison Dam. This is a flood-control dam built by the Army engineers on the Red River, which forms the boundary between southern Oklahoma and Texas.

Not enough water flows through the Red River throughout the year to make possible the delivery of a large load of firm power by Denison Dam generators. But the water held at Denison Dam during heavy rainfall run-off is sufficient to deliver a fair quantity of secondary power for limited periods.

About the best Denison can do is deliver firm power for 8 hours a day, plus limited secondary power. This is hard power to sell. Southwestern Power Administration has no other generating capacity in this territory to tie into. But is does have a number of potention preference customers among rural cooperatives in the area. They could not be served, though, because Texas Power & Light controls all the transmission lines.

On the other hand, Texas Power & Light was in the position of needing reserve power for its peak-load periods in the afternoon and evening. So here were all the elements for a good trade.

Under the law, Interior Department is selling agent for power generated at flood-control dams built by Army engineers. So, in April 1947, Southwestern Power Administrator Douglas Wright made a contract for the Department with Texas Power & Light.

In brief, Southwestern Power swapped its secondary power for delivery at peak-load periods, in exchange for firm power from Texas Power & Light for delivery to the Government's customers. It is a good deal for both sides. It increased the company's capacity. It marketed the Government's power and delivered it to its consumers.

The unsuitability of this Texas Power & Light type contract for other Government installations having the capacity to deliver large quantities of firms power is obvious.

A Senate floor battle has been promised by Senators O'MAHONEY of Wyoming, JOHNSON of Texas, SPARKMAN of Alabama and others who want committee restrictions on the public power program removed. If committee recommendations are adopted, they will put the Government in the role of being secondary suppliers to private monopolies.

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[From the Wenatchee (Wash.) World of July 30, 1949]

IN OUR OWN WORLD

(By Rufus Woods)

STILL THE BATTLE FOR THE COLUMBIA

We have with us in Wenatchee the past two days the committees of the public utilities districts and muncipalities of the State of Washington. We are wondering if the people realize what is really going on in this State. Twenty-five years ago the power business of the State which formerly was owned virtually in each community, went into the hands of a gigantic eastern monopoly headed up in New York City.

Today the public utility districts and municipalities representing the people of this State are retrieving the power business back into the hands of the people of the State. They are not stealing the power business from the owners down in New York. Rather they are buying the plants and systems in the name of the people of the State. And now after the last legislature they are compensating school districts for the loss in taxes to former privately owned utilities.

The Columbia River, which is the monumental resource of the Northwest, is to be retrieved along with the generating plants, the transmission lines and systems. This Columbia River is to be controlled by the people of the Northwest or it is to be controlled by a group in New York City.

If we were like the folks in Montana we would lie down and let the eastern monopoly take control. That is what happened to the mineral and water resources of Montana 50 and 75 years ago. Now the people of Montana are trying against great odds to have some say with their manifold resources. But they are having tough sledding.

We may either own and control these water resources of ours or we can say: "Come along New York and run our water powers and incidentally take control of our politics too."

Regarding the ownership of these power plants a quarter of a century ago and before that, in Wenatchee we had Arthur Gunn, who organized the electric system here. With him was George D. Brown, who had a plant at Chelan.

At Entiat was Charley Harris, who built the power plant there and also furnished power for Wenatchee.

At Dryden was the plant built and owned by W. T. Clark, Marvin Chase, and Frank Scheble. Leavenworth also had its own plant. So did Pateros and Okanogan and Oroville.

Waterville and Cashmere owned their own systems. All over this State there was the home ownership and control of electric facilities. Then the big boys from New York took over with one gigantic system or combination of systems or trust. Then came the lobbyists in the National Capital and in every State capital in the country. Then with these were 10,000 high paid attorneys and assistants. New York interests entered into virtually every election.

They took control of a large percentage of our chambers of commerce. Many presidents were finished off with big free trips as their terms expired.

There is a gigantic fight on in the National Capital now over the control of this Columbia—juiciest resource of the Nation. The move to force users to go to the bus bar at the dam for their power is one of the slick schemes being promulgated in Congress.

In the meantime Grand Coulee Dam has been the greatest boon to private enterprise of any one thing in this State. With federally developed power, private enterprises by the thousands are here to get started on a great job of stabilizing the West.

But the battle for the Columbia is still on. Along with it is the issue of decentralization.

And now today the Grand Coulee Dam is a whale of a success despite the statement by Congressman Culkin that it was "the greatest fraud ever perpetrated upon the people of the United States."

Today the Tennessee Valley Authority is a success. Today the State of Nebraska owns and controls its own water resources, thanks for the battle put up by the late Senator George W. Norris.

The Province of Ontario, with the best system in Canada, owns and controls its own wonderful system. It has developed from a plant of $3,730,000 into a system worth $475,000,000, now largely paid for.

The control of the Columbia for 100 years to come is at issue.

Mr. MAGNUSON. Mr. President, I should like to read from a letter dated August 4, 1949, from L. K. Ambrose, light superintendent, city of Ellensburg, Wash., which states the matter very clearly. The writer says:

Reporting to the Senate H. R. 3838 (Interior Department appropriation bill for 1950), the Senate Appropriations Committee eliminated funds which would provide for Government construction of a number of transmission lines. These transmission lines, which were approved by the House, are needed to bring low-cost Federal power to municipalities, rural electric cooperatives, and other public bodies which now have preference under the law.

Instead of Federal construction of transmission lines, the Senate Appropriations Committee recommended a type of contract which would provide for the wheeling of Government power to preference customers over private utility lines.

The American Public Power Association, representing over 600 publicly owned electric systems in over 31 States, all of whom have preference in the purchase of power, wishes now to state its unalterable opposition to the policy proposed by the Senate committee.

Previously we have consistently opposed bus-bar sale of Federal power, because such a policy has the effect of funneling Government into the hands of private power companies.

Mr. President, when it is said, in the flanking attacks on the bills, that power was sold without discrimination or favoritism, it is the rankest kind of misstatement, because, as a practical matter, these people cannot come to the bus bar. Nor can the average person expect to have this power wheeled from the bus bar as cheaply as he can get it for use in his home or small factory or any other place.

In the case of the Federal Government, such a policy places the Government at the mercy of private companies in the sale of its power, which is valued at millions of dollars. With only one customer for its power, it is in a poor bargaining position.

This is what I think is the exact case in the Southwest power situation.

To draw an analogy, Uncle Sam is put in the position of a farmer who, lacking facilities to transport and sell his products in the market place, must wait until a buyer comes along and pays the buyer's price. Given a choice of several markets, he can always get a better price.

To force the Government into such a policy would not only jeopardize the public investment in the dam and power facilities, but would leave the Government completely over the barrel at the expiration or termination of the wheeling contract.

As for the preference customer in the wheeling arrangement, he, too, is placed at a serious disadvantage.

Mr. President, I ask that the entire letter be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF ELLENSBURG,
*Ellensburg, Wash., August 4, 1949.*

Hon. WARREN MAGNUSON,
*Senator, Washington, D. C.*

MY DEAR SENATOR: In reporting to the Senate H. R. 3838 (Interior Department Appropriation bill for 1950), the Senate Appropriations Committee eliminated funds which would provide for Government construction of a number of transmission lines. These transmission lines, which were approved by the House, are needed to bring low-cost Federal power to municipalities, rural electric cooperatives, and other public bodies which now have preference under the law.

Instead of Federal construction of transmission lines, the Senate Appropriations Committee recommended a type of contract which would provide for the wheeling of Government power to preference customers over private utility lines.

The American Public Power Association, representing over 600 publicly owned electric systems in over 31 States, all of whom have preference in the purchase of power,

wishes now to state its unalterable opposition to the policy proposed by the Senate committee.

Previously, we have consistently opposed bus-bar sale of Federal power, because such a policy has the effect of funneling Government power into the hands of private power companies. The policy now advocated by the Senate Appropriations Committee has the same effect, and we oppose such a policy because it contradicts efficient Government administration and is harmful to both the Federal Government and to the preference customers.

In the case of the Federal Government, such a policy places the Government at the mercy of private companies in the sale of its power, which is valued at millions of dollars. With only one customer for its power, it is in a poor bargaining position.

To draw an analogy, Uncle Sam is put in the position of a farmer who, lacking facilities to transport and sell his products in the market place, must wait until a buyer comes along and pays the buyer's price. Given a choice of several markets, he can always get a better price.

To force the Government into such a policy would not only jeopardize the public investment in the dam and power facilities, but would leave the Government completely over-the-barrel at the expiration or termination of the wheeling contract.

As for the preference customer in the wheeling arrangement, he, too, is placed at a serious disadvantage. At all times he is at the mercy of his competitor in getting his supply of energy. Although under the so-called Texas contract his rates for power might be as favorable as if he were to buy power direct from Government transmission lines, the danger of higher rates is only as far away as the end of the contract.

In short, it is our firm conviction that the preferences to public bodies in the disposition of Federal power—preferences written into the law by Congress itself—have little or no meaning unless the Government can itself build transmission lines to deliver power to preference customers. In any event, please remember the Government possesses no power to compel the execution of any kind of wheeling contracts.

Accordingly, we urgently request your support in restoring transmission line funds eliminated from H. R. 3838 by the Senate Appropriations Committee.

Faithfully yours,

L. K. AMBROSE,
*Light Superintendent, City of Ellensburg; Director, American Public Power Association.*

Mr. MAGNUSON. Mr. President, I appreciate the serious concern many Senators have regarding the cost of these items. The distinguished senior Senator from Oklahoma [Mr. THOMAS], in a very able speech last week, presented some very fine charts on which he pointed out the Government debt. All of us have great concern about that. I am sure that all of us want to see the Government debt retired as rapidly as possible, and Government expenditures made as low as possible, so that the budget may be balanced. But when the Appropriations Committee of this great body adds to a bill from the House side a much greater amount than the House had appropriated, which probably they believed they had reason to do, and probably some justification for doing, but at the same time takes smaller items involving transmission lines, and cuts them out, effecting no saving in the over-all total of the bill, surely it is not coincidental, and as my distinguished friend from Oregon has well said, it does become a question of policy rather than a question of dollars and cents. A question of policy is involved here. I am sure the Senate will be able to understand that question clearly. Certainly it has been before the Congress for many years, and we have always followed the opposite policy.

The projects involved are self-liquidating projects. This is the best investment the Government can make. This is a loan. The money will be paid back. This is an investment which not only will be paid back, but will enhance the welfare of not only the people involved and the sections involved, but all the people of the United States.

Mr. President, I wish to offer an amendment, proposed by myself, the Senator from Montana [Mr. MURRAY], the Senator from Oklahoma [Mr. KERR], the Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Wyoming [Mr. HUNT], the Senator from Idaho [Mr. TAYLOR], the Senator from Texas [Mr. JOHNSON], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oregon [Mr. MORSE]. I ask the clerk to read the proposed amendment.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 8, line 1, after the numerals "$30,284,500" it is proposed to insert "including funds for construction of the Kerr-Anaconda transmission facilities."

Mr. MAGNUSON. I understand there is an amendment pending, and I merely wanted my amendment read for the information of the Senate.

Mr. HAYDEN. Mr. President, the amendment is an amendment to the committee amendment and is in order.

Mr. KERR. Mr. President, I ask unanimous consent that I may withdraw the amendment which I understand is the pending question, the one which I offered Friday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. KERR. Now, Mr. President, I should like to send forward an amendment which I shall ask unanimous consent tomorrow to have considered.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The LEGISLATIVE CLERK. In the committee amendment on page 7, it is proposed to strike out lines 21 and 22 which read "of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies," and insert in lieu thereof "of facilities for the transmission and distribution of electric power and energy to public bodies, cooperatives, and privately owned companies."

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

## THE STRIKE AND CONDITIONS IN HAWAII

Mr. MORSE. Mr. President, I rise to make a very brief speech on the Hawaiian dock-strike situation. My remarks are prompted by a letter which I received under date of August 12, 1949, from Mr. Dwight C. Steele, president of the Hawaiian Employers Council. It is a letter very critical of statements made on the floor of the Senate in speeches given by me on the Hawaiian situation on June 27 and July 22. The letter from Mr. Steele closes with this paragraph:

Inasmuch as your remarks concerning Hawaiian business and the stevedoring companies and their integrity and intentions have been inserted by you as a part of the CONGRESSIONAL RECORD, I suggest that the point of view as represented in this letter also be made a matter of record.

Mr. President, as one who believes always in fairness, and who believes that one should not walk onto the floor of the United States Senate and make statements in connection with an issue unless he is perfectly willing also to see to it that the Senate has presented to it the point of view of someone who holds the opposite view, and in regard to whose view he commented as a Senator on the floor of the Senate, I ask unanimous consent to have inserted at this point in my remarks the letter of August 12, 1949, sent to me by Mr. Steele.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HAWAII EMPLOYERS COUNCIL,
*Honolulu, Hawaii, August 12, 1949.*

Hon. WAYNE L. MORSE,
*United States Senate, Senate Office Building, Washington, D. C.*

DEAR SENATOR MORSE: On recent occasions, you have in your capacity as a Member of the highest lawmaking body in the land urged arbitration as the only means of settling the current strike of ILWU longshoremen in Hawaii.

We did not take exception to your June 15 speech before the Senate, in which you were advocating and supporting the principle of arbitration about which you apparently have strong convictions. Such an expression of opinion is your right and your privilege as a citizen and a Senator.

Your Senate speeches of June 27 and July 22 are, however, entirely different matters, both in their implications and as disturbing examples of partisanship, which in a statesman with a reputation for integrity and straightforward thinking is shocking.

Despite the fact that you have said that you detest and reject the political philosophy of Harry Bridges and his labor philosophy, too, we are forced to conclude that the plain truth of the matter is that your statements have been made solely on the basis of representations made by one party, namely, the ILWU. This appears from the many instances in which you have spoken without regard for the facts and data submitted to you as a member of the Senate Committee on Labor and Public Welfare by the stevedoring industry of Hawaii. Despite the record, and despite its availability to you for study, not once have you credited the industry with an iota of sincerity in negotiations. The record is abundantly clear that the companies have made every effort, save acceptance of arbitration of wages, to end this strike.

You have seen fit to use exceedingly strong language in castigating the employer class in Hawaii and to assign motives which the record, in these and prior negotiations, will not support. The whole tenor of your remarks indicates that you hold the erroneous belief that employers as a whole in Hawaii are out of step with modern labor relations

practices elsewhere. Nothing could be further from the truth.

Hawaii is an agricultural community, depending on two crops—sugar and pineapple. Sugar and pineapple employees are almost completely organized, and collective bargaining is fully accepted. As you know, this is an unusual situation in agriculture. These industries support year-round employment for a large number of workers. Wages paid them are the highest agricultural wages paid anywhere in the world. Sugar workers receive an average wage in excess of $8 per day and pineapple plantation workers average in excess of $9 per day. This compares with an average farm wage in the mainland United States of $4.25 per day.

You have stated that it is the companies' position that "arbitration would be communistic tactics." Nothing in their position will support that contention. They made a formal statement to the Governor's emergency board that communism was not an issue.

You stated that Hawaii's stevedoring companies are trying to "break the union and win the strike." The companies are trying to settle this strike on a fair, equitable basis; break the union? No. They have stated categorically in negotiations with the ILWU that they expect to conclude an agreement with this union.

In further reference to strike breaking, you stated "they want the United States Government to help them do it." The stevedoring companies have in no instance requested or sought Government intervention of any kind.

You further stated that "poor labor-management relations demonstrate a lack of stability." We would appreciate any example where it can be shown that west coast maritime labor relations, involving the ILWU, have even approached the stability found in Hawaii since union organization in 1941 to date.

Apparently, you are unaware of the fact that this is the first general water-front strike that has ever occurred in Hawaii. You fail to take into account, in branding labor-management relations here as poor, that the water-front contracts have been arrived at amicably through collective bargaining between the water-front companies and the ILWU; that these contracts have provided for wage rates increasing since 1941 from 60 cents an hour to $1.40 an hour; and that, as a result of these collective-bargaining agreements, stevedores in Hawaii enjoy substantial benefits such as sick leave, liberal paid vacations, and steady work opportunity not enjoyed by west coast stevedores.

You speak of "labor-management instability" when the record shows that in Hawaii since the end of the war more than 400 collective-bargaining agreements between employers and unions have beeen reached, almost all of them without strike. By far, most of these agreements were reached with the ILWU.

In your remarks of July 22 on the floor of Congress, you accuse the stevedoring companies of "misrepresentation."

You go so far as to presume to state what is in the minds of the stevedoring companies and of other Hawaiian employers. You allege that the "real motivation is union-breaking, not good faith collective bargaining."

You completely distort the facts when you say that the employers' record has been one of "rejection after rejection." Yet you were aware of the facts because they were presented to you in hearings before the Senate Committee on Labor and Public Welfare on July 18, 1949, in Washington. You know that the companies first made an 8-cent wage increase offer in collective bargaining. You know further that, in meetings with the United States Conciliation Service and the union, they made a further offer of 12 cents an hour to avert the strike. You know, too, that they agreed to accept an emergency fact-finding board's award for 14 cents.

You also know that throughout this entire period the ILWU has never once in negotiations put on the bargaining table a figure below its original demand of 32 cents. It rejected 8 cents, then 12 cents, then 14 cents.

From your long experience in labor relations, you are aware that, if you are out to break a union, you do not agree to give it a 14 cents an hour increase in wages under present economic conditions and also offer it the choice of a 1- or 2-year contract with union security clauses. This is what Hawaii's seven stevedoring companies have done.

You have accepted without challenge, and apparently without any check of the actual facts, the ILWU statement that the proposal for arbitration of this dispute "in the first instance did not come from the union, but came from the Federal Mediation and Conciliation Service."

The record of negotiations clearly shows this not to be the case. The first proposal for arbitration of the union demand of 32 cents was made by the union in a negotiation meeting with the companies on March 21, 1949. This was 3 weeks before any representative of the Conciliation Service even entered the picture. This union demand was repeated upon numerous occasions prior to participation by United States Conciliation Service representatives. When arbitration was proffered by the Commissioners of Conciliation, it was done as a matter of routine statutory duty.

You say that Hawaiian employers "put tremendous pressure" upon west coast employers in the fall of 1948 to accept arbitration as a means of settling the ILWU's strike there. This is simply not true. The fact is that there were no such pressures. Arbitration of wages was not even at issue in that strike.

On the matter of whether this dispute should be settled by arbitration of the wage issue, we find ourselves in disagreement with you, but we do not see how a sincere and basic disagreement of this type could call for the type of castigation which you have heaped upon Hawaiian employers.

As you know, Hawaiian industry generally, and the stevedoring companies specifically, long ago recognized the principle of arbitration. Arbitration as an interpretive function in settling disputes under contracts already arrived at in collective bargaining is contained in all of the stevedoring contracts with the ILWU, and in virtually every other labor-management contract in Hawaii.

Arbitration as a wage-setting device the companies cannot accept because in their opinion, based on experience elsewhere, arbitration of this type takes away from business management the responsibility it must maintain of determining one of its primary cost items, the amount of wages to be paid employees.

Hawaiian industry knows, again based on experience elsewhere, that if arbitration of wages is at the end of the road, collective bargaining is destroyed. We prefer to place our faith in future amicable relations with unions in Hawaii upon the give and take of sincere, realistic collective bargaining between parties of good faith.

Inasmuch as your remarks concerning Hawaiian business and the stevedoring companies and their integrity and intentions have been inserted by you as a part of the CONGRESSIONAL RECORD, I suggest that the point of view as represented in this letter also be made a matter of record.

Respectfully yours,

DWIGHT C. STEELE,
*President.*

Mr. MORSE. Mr. President, I now propose to reply to that letter, because I do not know that I ever received a letter from someone who ought to be a responsible person that contains more glaring distortions and misinterpretations and misrepresentations of my position on an issue than the same letter of August 12, 1949, which I received from Mr. Steele. I replied to that letter by way of a press release on August 16, 1949, and I ask unanimous consent to have my press release on the letter inserted also at this point in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

STATEMENT OF WAYNE MORSE, UNITED STATES SENATOR FROM OREGON, AUGUST 16, 1949

I have received this morning a four-page letter from Mr. Dwight C. Steele, president of the Hawaii Employers Council, setting forth highly emotional disagreements with statement of fact which I have made in speeches in the Senate of the United States on the Hawaiian strike.

As soon as the Senate finishes its consideration of Reorganization Plans Nos. 1 and 2 on Wednesday of this week I shall read Mr. Steele's letter into the CONGRESSIONAL RECORD and answer it on the floor of the Senate.

It is a letter full of gross misrepresentations of the Hawaiian employers' record in the Hawaiian dispute and a falsification of my motive, intent, and purpose in urging arbitration in the dispute. Steele's case is so weak that he now apparently seeks to resort to political-smear tactics of misrepresentation which I shall answer in language which he will understand on the floor of the Senate before the week is over.

I repeat to him and to the public of Hawaii and the United States that the proposal of the United States Conciliation Service that both the employers and union should arbitrate the Hawaiian dispute is a proposal which carries out the American principle of government by law. The resort to economic force by both the union and employers in Hawaii is absolutely inexcusable and Steele cannot falsify his way out of the failure of the Hawaiian employers to place the public interest above their desire to break the union.

Steele's attempt in his letter to give the public the impression that my statements on the Hawaiian dispute have been made solely on the basis of representations made by one party, namely, the ILWU, is a vicious lie and he knows it. Such smear tactics have characterized the Hawaiian employers conduct throughout this dispute and it is about time that their misrepresentations be shown up to the American people for what they really are.

The Hawaiian employers are no more opposed to the left-wing philosophy of Harry Bridges than I am. However, there is this great difference between us. I believe the way to handle such left-wingers as Bridges is to bring him before the fair and impartial judicial process of arbitration and answer his demands with facts.

The Hawaiian employers, as evidenced again by Steele's letter, show that they would attempt to smear those of us who believe in the law and order of arbitration with the charge of trying to help the Communists when what we are trying to do is substitute rules of reason for the settlement of labor disputes rather than economic force which has been resorted to in the Hawaiian dispute.

Steele's letter is a good illustration of the type of employer who manufactures anti-labor propaganda which plays right into the hands of left-wingers, such as Bridges. It isn't too late for Steele and his employer associates to come on over on the side of those of us who believe that arbitration of deadlocked labor disputes is much preferable to the jungle law of economic force.

Mr. MORSE. Mr. President, in the course of the press release I pointed out that I would answer Mr. Steele on the floor of the Senate at the time I inserted his letter into the RECORD.

I am sorry that the president of an employers' association in Hawaii would take the position that Mr. Steele has taken on several points in his letter, because his position either shows that he did not read my statements made in the Senate of the United States, or that he cannot interpret the English language, or that he deliberately distorted the position which I took in the Senate of the United States. I shall proceed to establish those accustions against Mr. Steele point by point.

I want to say by way of evaluation of Mr. Steele's leadership or lack of leadership as president of the Hawaii Employers Council that I hope he is not typical of employer leadership in Hawaii. It is easy to understand why the Hawaiian dispute has not been settled to date by good-faith collective bargaining if Mr. Steele is typical of Hawaiian employers.

Over the years, Mr. President, I have had a great many employers come before me in the arbitration court room. I think I know very well the strategy and the techniques of both employer leaders and union leaders when they want to avoid facing an issue. I say that one need only read Mr. Steele's letter and my statements to which he refers, but, unfortunately, in instance after instance, inaccurately, to have a full picture of this employer's tactics.

Mr. Steele, in my judgment, represents the type of employer leadership that characterized employer-labor relations in this country in the 1920's, but he is at least 20 years behind the times in recognizing the obligation of American employers to engage in good-faith collective bargaining. When employers walk into a collective-bargaining room they should negotiate in good faith, and when they fail to reach an acceptable collective-bargaining agreement with the union in regard to a dispute which affects the national interest and welfare, such as the Hawaiian dispute affects it, they have, I say, the patriotic obligation to resort to good-faith mediation and conciliation with the Government services, and, if necessary, they should try to work out a voluntary arbitration agreement for settling the issues that do not involve managerial rights.

Throughout the Hawaiian dispute the employers who, apparently, are typified by Mr. Steele, have not engaged in the fulfillment of that latter obligation. In spite of the type of political smear with which Mr. Steele attempts to paint me, I say from this desk today to the people of Hawaii that I think the employers involved in the Hawaiian dispute have sold them short when it comes to living up to the type of obligations that the great industrial statesmen of America for the past 20 years have recognized to be the obligations of employer and union leaders in these great major strikes that affect the national welfare and the health and safety of the Nation.

Consistently throughout the discussion of the Hawaiian dispute, I have held to the legal proposition that if the Taft-Hartley law can be applied to any dispute, as far as its emergency dispute sections are concerned, it is applicable to the Hawaiian dispute. It is just as applicable to the Hawaiian dispute, Mr. President, as to the longshore dispute on the west coast last fall. It involves the same industry, and it has within it as much of danger and implication of losses to the national health and safety as the west coast maritime dispute ever had.

Mr. President, a great many employers on the Pacific coast today, as I talk here this afternoon, are highly cognizant of that fact. They are at a loss, as they talk to me frequently, as they have in times recently gone by, over the long distance telephone, to understand the employer point of view as represented by Mr. Steele and his group in the Hawaiian Islands.

I am sorry that the emergency dispute sections of the Taft-Hartley law were not applied very early in the Hawaiian dispute, not because I think they would have been helpful in settling that dispute, but because I think the employers and the people of Hawaii were at least entitled to have had the laws we have on the books applicable to the dispute put into effect.

I said during the debate on the Taft-Hartley law, "Once this bill is passed, the junior Senator from Oregon will take the position that it must be enforced." I said that because I do not believe in writing gestures onto the statute books of our country. I think an attempt to apply it would have resulted in the same failure that the attempt to apply it to the west coast longshore dispute last year resulted in. In that case, Mr. Blaisdell, the attorney for the Hawaiian employers, as he appeared before the public hearings in Washington of the Senate Committee on Labor and Public Welfare, admitted in the record that the application of the Taft-Hartley law to the west coast dispute had not been successful. I think I quote his meaning very accurately when I say that in effect he said that apparently all it accomplished was to postpone the strike for a while until the injunction was lifted, and then the strike renewed itself.

I think we would have found in the application of the emergency-dispute section of the Taft-Hartley law to the Hawaiian dispute another complete break-down in the effectiveness of the law if it had been applied to that dispute. Nevertheless, I took the position in the Senate Committee on Labor and Public Welfare, both in executive sessions and in public hearings, that I thought the Federal Government ought to apply the law. I was a little surprised to hear the Senator from Ohio [Mr. TAFT] argue that he did not think the law was applicable to the Hawaiian dispute. But I cannot imagine a set of facts and circumstances more clearly in line with the intent of Congress and the language of the act than the facts and circumstances of the Hawaiian dispute. So I expressed a public difference with the Senator from Ohio with regard to the question of whether or not the emergency-dispute section of the Taft-Hartley law was applicable.

I shall have something to say toward the close of my remarks about the type of law which the Hawaiian Legislature has passed, because I think it is a shocking law, judged from any fair appraisal of what I had thought we had long since come to recognize to be the rights of free workers and free employers. It is a bit paradoxical—and the situation has some irony in it, too—that apparently the Hawaiian employers are just as unhappy with the new Hawaiian law as are the workers. Apparently the Hawaiian employers are awakening to the danger of having the Government take over the economic relations between employers and unions, a danger which I have cried out against time and time again since I have been in the Senate.

One would think that the Hawaiian Legislature had before it some of the drastic injunctions prior to the Norris-LaGuardia Act, issued by some of our Federal judges when they wrote the law. The language of the new Hawaiian law contains language similar to some of the notorious injunctions of the past. Those injunctions were so sweeping in their nature that they rapidly were bringing the whole judicial system of the country into disrepute in the field of labor relations. They were so unreasonable in their provisions that it was my party—to its everlasting credit—that framed and passed the Norris-LaGuardia Act and put an end to government by injunction in the field of labor-employer relations. Yet I say, Mr. President, that as one reads the terminology of the act passed by the Hawaiian Legislature, the similarity of language with some of those blanket injunctions is so great that one wonders if the Hawaiian employers are now ready to recognize, before it is too late, that the type of governmental control and regimentation which characterizes the act of the Hawaiian Legislature jeopardizes the freedom of employers as much as it jeopardizes the freedom of workers.

I wonder if even some of the Government officials of Hawaii, as well as the people of Hawaii, now that they have had a chance to count 10, now that public indignation and anger are relaxing a bit in Hawaii—and judging from the stories I have read in the newspapers the people generally are beginning to direct attention to the fundamental merits of this dispute—are ready to welcome the type of third-party intervention based upon acts of voluntarism by the parties themselves in reaching their own agreement as to the terms of reference which shall govern third-party intervention. I wonder if the leaders of industry, the Government, and the public generally in Hawaii are not ready now to come over on the side of those of us who supported the Knowland bill.

I can tell the people of Hawaii that there are a great many industrial interests on the west coast that wish they would recognize the importance of some third-party intervention on the basis either of the Knowland bill or their own voluntary action in negotiating an arbitration agreement between employer and union immediately, in preference to the economic war which is now raging in Hawaii and drawing the Territorial government itself into the warfare.

I wish also—and I betray no confidence in saying this—that leaders of the union and the employers, as well as the people of Hawaii, could have the benefit of the views of the head of the Federal Mediation and Conciliation Service, Mr. Cyrus Ching, who I think is one of the most fair-minded, impartial, outstanding industrial statesmen in all America. One may discount such personal bias as I may have in favor of Mr. Ching as arising from a very affectionate friendship for Mr. Ching, a friendship which developed as a result of sitting on the War Labor Board with him for 2 years when he served as employer representative on that Board, at a time when he was vice president of the United States Rubber Corp. of America. However, it is a friendship which is based on observing his impartiality in many labor cases.

Cy Ching is the type of person who calls the shots as he sees them. He has done his best through his service to bring reason into the Hawaiian dispute. He told me on the telephone as recently as Friday that he was shocked—I think that was his exact language—at the news stories he read about Mr. Steele's letter, because from the very beginning of that dispute his service had urged upon the parties the submission of the case to voluntary arbitration. It was not, as Mr. Steele says in his letter, that the Conciliation Service recommendation for arbitration "was done as a matter of routine statutory duty." At the very early stages of the dispute, as I pointed out in my speech of July 22, the Conciliation Service urged the parties to work out their difficulties through voluntary arbitration.

I am afraid that Mr. Steele, as well as Mr. Blaisdell, who represented the employers at the public hearing before the Committee on Labor and Public Welfare, are laboring under the false notion that those of us on the committee who have been urging that the parties work out their differences by way of voluntary arbitration were in fact proposing compulsory arbitration. Such is not the case. We have simply been urging the parties through good faith collective bargaining to agree, under the mediation efforts of Mr. Ching's organization, to write their own voluntary arbitration agreement for the settlement of this dispute. In the public hearings before our committee we went so far as to propose that if they could not agree on the terms of an arbitration agreement, they agree to let Mr. Ching write the terms of reference for them. I think it is unfortunate that in connection with all such suggestions, the employers permitted themselves to get into a position where Mr. Bridges, representing the union, agreed to accept the terms and offers of the Conciliation Service and of our committee, but the employers rejected them. I think it is unfortunate because I know of no better course of action to be followed on the part of employers in playing into the hands of a left-wing labor leader, such as Mr. Bridges, than to follow the procedural course of action which has characterized the employers' handling of the Hawaiian dispute. I simply cannot understand why they would make that series of mistakes in judgment. I repeat, if Mr. Steele will read, that I am just as much opposed to the left-wing philosophy of Harry Bridges as is Mr. Steele.

I wish to say further that when it comes to judging the representations made by Mr. Bridges, in specific labor cases in which I have served as arbitrator, time and time again I have ruled against him whenever he could not substantiate his contentions with facts and evidence. Yet for Mr. Steele by subtle indirection and innuendo in his letter to me to seek to give the impression that my position in this case from the beginning has been motivated by an influence of Mr. Bridges and his union, is deeply resented by me, because the shipowners on the west coast, Mr. President, who have appeared before me in a great many cases, know that my record as an arbitrator in that industry is a record which leaves no room for doubt about the fact that in a judicial determination of a case I am not influenced by a labor leader or by an employer leader, but I ask only one question, namely, what are the facts and what is the evidence in support of the contentions in regard to the facts?

It is the same question that the employers in Hawaii should have been putting to Mr. Bridges weeks gone by, before a fair, impartial arbitrator appointed under a voluntary arbitration agreement. If the employers in Hawaii have the facts, Mr. Bridges would not win any of his points. If, on the other hand, he can prove by a preponderance of the evidence the merits of his position on any issue, then in all fairness we should divorce ourselves from our views concerning Mr. Bridges' political philosophy and support any fair arbitration decision on the merits of the wage issue. We should ask for a determination of this case on the facts. The workers should not be penalized if the facts entitle them to more wages than the employers have offered just because we do not like Harry Bridges. Are the Hawaiian employers running away from the facts? Are they afraid of the facts? I ask them again to submit the facts to Mr. Ching or to some arbitrator to be appointed by him, if they cannot settle their dispute with each other through the mediation services of Mr. Ching.

When I talked to Mr. Ching on Friday, I recommended that he keep himself in readiness to go to Hawaii, if both parties asked him—as the newspapers were reporting on that date the parties might be asking him—to come to Hawaii in an endeavor to mediate a settlement. What change in events since Friday may cause him to follow a course of action different from the one he suggested to me last Friday he would have to follow I do not know. But as of last Friday he satisfied me that the industrial-labor relations problems in this country made it extremely unwise for him to leave the United States at this particular time, but that he would be willing to meet with the parties to the Hawaiian dispute here in Washington, D. C. It happens that that is exactly the suggestion that the distinguished Senator from Illinois [Mr. DOUGLAS] recommended to the parties at the time of our public hearing in Washington, and the full committee approved of the suggestion. At that particular time Mr. Ching was out of the city on a much-needed vacation, and the Conciliation Service offered the parties the services of their top mediators. One or two conferences were held, not on the merits of the dispute, but on the question of whether they could get together on mediation procedure, as I understand it, or at least as it has been reported to me. But that attempt to settle the dispute broke down, with the result that the strike continued, and later the Hawaiian Legislature acted, and now we have spreading concern as to the future termination of this dispute.

Again I ask the Hawaiian employers and the union concerned quickly to enter into an agreement in Hawaii to lay their entire case before Mr. Ching here in Washington, D. C.

I wish to say that I am satisfied that this great industrial statesman, who is the head of our Mediation Service, will give them a fair decision, a fair settlement, on the basis of the facts as he finds them to be; and that is all either party has a right to ask. Let me tell you that a settlement of the case is what the half million and more people in Hawaii have long been entitled to.

Mr. President, I return now to the specific points in Mr. Steele's letter of August 12, because in fairness to myself and in accordance with the facts, I want them answered in the RECORD. Mr. Steele states in his letter that the Hawaiian Employers' Council—

> Are forced to conclude that your statements have been made solely on the basis of representations made by one party, namely, the ILWU.

Mr. Steele and his group would like to get by with that impression. It is perfectly obvious that there are stooges for the employers in Hawaii who would like to create the impression that the junior Senator from Oregon acts in connection with this strike under the influence of Mr. Bridges. However, that is not a fact. What is more, Mr. President, Mr. Steele knows it is not a fact. He knows my record on the water front and he knows there has been no one working on the water front in the field of labor relations who has knocked Harry Bridges' ears down more than the junior Senator from Oregon has—so much so, Mr. President, that when the junior Senator from Oregon ran for election to the United States Senate in 1944, it was the Bridges group within the ILWU that came into Oregon and fought in the State convention of the CIO to get the CIO to refuse to endorse me for election to the Senate from the State of Oregon. It was the Bridges group, during my 1944 campaign, who opposed me in the election in the State of Oregon, because on matters of political philosophy they knew I vigorously opposed the political philosophy of Harry Bridges. They knew that my record as an arbitrator upon their cases was an impartial record, and they knew that, once I sat in the Senate, I would follow a similar course of impartiality. They did not want a Senator of that kind. It was only recently in the State of Oregon that Mr. Stanley Earl, then executive

secretary of the CIO, refreshed Mr. Bridges' memory as to the opposition of the Bridges group to my candidacy for the Senate. He refreshed his memory with the fact that at the 1944 State CIO convention the CIO, in spite of the opposition of Bridges' group to me, overwhelmingly endorsed me, and Bridges' group walked out of the convention, many of them throwing their buttons of identification on the floor, because they did not have their way in opposing me in that labor convention. I think Mr. Steele knows that.

I want to say it should be beneath Mr. Steele to seek through his letter to give the impression to the people in my State and Nation that in the Hawaiian dispute I have acted solely on the basis of representations made by one party, namely, the ILW union. Why, Mr. President, I have received a great many letters from employers and members of the public on this question. I have participated in the hearings on Senate bill 2216 at which Mr. Blaisdell testified. I have talked to a great many west-coast employers in the shipping industry and to west-coast editors in regard to their knowledge of the facts in connection with the Hawaiian dispute. I want to say, on the basis of the mass of evidence and material I have in connection with the dispute, I am satisfied there was only one statesmanlike way to handle it, and that was to resort to a voluntary arbitration. I have taken into account in reaching my conclusion as to what procedure ought to be followed in the dispute, all the points of view which have been given to me by representatives of industry and of the press and of labor, satisfying myself it was a critical dispute involving needless and unwarranted suffering on the part of half a millon of people simply because two great economic forces, an employer group and a union group, failed to sit down and agree upon a voluntary arbitration of the issues separating the parties. I satisfied myself that the time had come for some of us in the Congress to exercise some leadership in regard to the dispute, and at least focus public attention upon the simplicity of the procedure which would resolve the dispute, namely, voluntary arbitration.

Thus I joined in the Knowland bill. Who else joined in the Knowland bill, besides the distinguished junior Senator from California [Mr. KNOWLAND], its author? The Senator from Washington [Mr. CAIN], the Senator from California [Mr. DOWNEY], and the Senator from New York [Mr. Ives]. Does Mr. Steele want to take the position that these distinguished colleagues of mine made their recommendations solely on the basis of representations made by one party, namely, the ILWU? Let Mr. Steele talk to the junior Senator from California and the senior Senator from California. Let Mr. Steele talk to the Senator from Washington [Mr. CAIN] and the Senator from New York [Mr. IVES]. He will find that they, as was also true of the junior Senator from Oregon, made the proposal that was made because they were satisfied on the basis of the facts they had before them that a prima facie case existed which failed to support up to that time the refusal on the part of the employers to submit their case to voluntary arbitration.

Next, Mr. Steele, in his letter, on page 2, attributes to me the position that the companies involved have taken the position that "arbitration would be communistic tactics." Undoubtedly he is referring to my speech on June 27, in which I commented primarily on the editorial of June 25 in the Washington Post and upon the propaganda advertisements of the employers' class and the Big Five. In that statement I said:

> The Big Five of Hawaii are spending huge sums of money to propagandize the American people that arbitration of the Hawaiian dispute would be what? Communistic tactics.

I also said:

> The position of the employer class in Hawaii is that an arbitration on the merits of that dispute would be communistic tactics.

I did not attribute this position to the companies immediately involved in the dispute. However, Mr. President, I am not naive, or at least I am not so naive as Mr. Steele apparently thinks I am. I want to say that as one read the propaganda advertisements which were published in large numbers in the American press, and as one read the Honolulu Advertiser, which, from the beginning of this dispute, has served as the mouthpiece or front, in my judgment, of the employer point of view in the fight, he would be most naive if he did not take notice of the fact that the employers involved in the strike in Hawaii were not out of sympathy with the representations made in those advertisements.

Mr. President, I made no charge that the employers were charging communistic tactics, but I now say that I am perfectly satisfied, from a further study of the Hawaiian dispute, that behind the scenes the employers involved in the dispute welcomed the type of propaganda the Honolulu Advertiser has been spreading from the beginning of the strike, and the type of propaganda that was spread in the large newspaper advertisements in the States, which advertisements did charge communistic tactics on the part of those who favored arbitration of the dispute.

I want to say again, Mr. President, that this distortion on the part of Mr. Steele should be beneath him and that he should not assume for a moment that those of us who have worked in the field of labor relations for a great many years are so naive that we do not recognize the relationship between the propaganda which is put out by the so-called friends of the employers and the employers themselves.

Next, Mr. Steele said, in effect, that he objects to my allegedly having said that the stevedoring companies are trying to break the union and win the strike. What I did say was this:

> What the Big Five in Hawaii want to do in this economic show-down is to break the union and win the strike.

In addition, in the very next sentence I said:

> They—

Obviously referring to the Big Five—

> want the United States Government on their side of the battle by way of an injunction.

I want to say, after a further study of the Hawaiian dispute, after I have analyzed carefully, over the days, the press statements of various representatives of the employers, that I am perfectly satisfied in my own mind that one of the reasons, probably the major reason, why the employers have not been willing to agree to arbitration of the dispute is that they feel that by holding out and winning an economic war against the union, they will so weaken the union that they will be able to meet successfully, for some time to come, future demands of organized labor in Hawaii.

Mr. President, again I am at a loss to understand why Mr. Steele thinks we would be so naive. We listened to Mr. Blaisdell, the employers' representative, before the committee, at our public hearing. What did he have to offer the committee? Nothing but economic deadlock—fighting it out on the economic front. He sounded very much like one of the representatives of the American steel industry who is reported over the week end in the press of this country as advocating to the American people that in the field of industries involving our whole national safety and welfare we stand by and let the parties resort to the law of the claw and the tooth—the law of the jungle.

What a fine sense of a failure in their public responsibility Mr. Steele, of Hawaii and the representatives of the steel industry in this country present to the American people.

Mr. President, I shall continue in my public career to urge upon American industry and American labor that in these major cases where the welfare of many people become involved, we have the right to ask them on a voluntary basis to work out in their own collective-bargaining agreements, their own arbitration procedure that will prevent the type of deadlock which has developed in Hawaii. If they fail, then I take the position that it does become the duty of the elected representatives of the people to find out who is responsible for the failure to accept peaceful procedures based upon voluntarism for the settlement of disputes, and then, Mr. President, focus public attention upon the party who is guilty of taking the type of position which Mr. Blaisdell, representing the Hawaiian employers, took before the Senate Committee on Labor and Public Welfare. His proposal added up, after all, to the continuation of a knock-down, drag-out economic fight with the workers in this dispute. He made a very weak case before us and I suspect that Mr. Steele knows it.

Mr. President, I cannot be counted on the side of either the labor leader or the employer leader who believes that a strike should be allowed to continue in a major industry, irrespective of its cost to the welfare of our people. Oh, right away, Mr. President, an attempt will be made to attack my plan, as Mr. Blaisdell thought he could attack it in the public hearings, when he sought to create the impression that I stood for some sort of compulsory arbitration. However, I made clear that I do not favor establishing any so-called labor-court system as some propose, Mr. President, because I recognize, as does Mr. Blaisdell, and I agreed with him at the public hearing in

his objections to compulsory arbitration, that once we make compulsory arbitration the pattern for settling industrial disputes, we have the vehicle or the instrumentality for complete state control of employer-labor relations. I do not know where the end of that road of compulsory arbitration will lead us, except to complete state control of the entire economy. If we are to regulate social and economic questions such as questions of wages and hours of employment, by Government regulation, we must regulate also the managerial rights of the employers, on the employers' side of the picture.

Mr. President, there is a point short of compulsory arbitration which I advocate we consider. It involves a case by case or case to case handling of these disputes. It involves what I have said so many times on the floor of the Senate, the weapon of keeping the parties in doubt as to what may happen if they do not make a statesmanlike use of the voluntary peaceful procedures for settling disputes. I say to Mr. Steele this afternoon that whenever in a major dispute the point is reached when the public welfare is being seriously jeopardized by the dispute, I think any government that is entitled to the name of government must step in and fix the responsibility for the deadlock, and for the refusal of the parties, by the way of good faith agreement, to enter into peaceful procedures for the settlement of the differences.

That is a far cry from any system of compulsory arbitration. That is preserving to the maximum degree possible the voluntary rights of the parties to a dispute. But it is keeping in mind the paramount duty of the Government to protect the people from an unnecessary economic war between two great economic forces in our country simply because one party refuses even to try to negotiate an arbitration agreement, with all the safeguards in the terms of reference to the managerial rights on the one hand, and to the workers' rights on the other, which we know exist under American arbitration law. In more than one decision I have attempted to discuss this question of inherent rights which are not subject under American jurisprudence to adjudication by way of arbitration. Those inherent rights become questions of law.

So I wish to say, as I suggested to Mr. Blaisdell during our hearings, that I think the Knowland proposal and the proposal of the rest of us to arbitrate this dispute did safeguard the managerial rights of the employers and the inherent freedom of the workers, but at the same time made perfectly clear that the Government recognized its paramount duty to call attention to who is responsible for a failure to accept peaceful procedures for the settlement of the Hawaiian dispute, namely, voluntary arbitration.

Mr. President, I wish to say again to Mr. Steele what Mr. Ching told me over the telephone last Friday, that early in the dispute the Federal Mediation and Conciliation Service did propose to the parties that they resort to arbitration. The offer was not made pro forma, but as Mr. Ching made clear to me he, too, holds to the view that when the public interest becomes involved, as it is in Hawaii, then the parties had better give some serious thought to the desirability of settling their differences by way of arbitration.

Then, too, Mr. President, we need to keep in mind the fact that we have a huge body of arbitration law in this country, and when the parties agree to arbitrate a dispute, that very agreement will carry along with it what the law has determined to date are inherent rights of the parties, not justiciable in nature. If an arbiter seeks in an arbitration award to transgress those rights, then under American law the award is subject to reversal. I want the law to step in, I want the courts to step in, after the parties in good faith have exhausted these peaceful procedures, based upon what I have said so many time is good-faith voluntary action on their part. Then, after the arbitration award, if either party refused to abide by it, and the court finds that the arbiter stayed within the terms of reference, I would have the court step in and call for enforcement of the award.

Mr. President, some people have the notion that because I am opposed to the use of the labor injunction in the first instance as an instrumentality for breaking a strike, I am opposed to the use of an injunction in any stage of a labor dispute. That just does not happen to be so, and my record is so clear on that point that I am at a loss to understand why that representation continues to be made. I am for an injunction, Mr. President, only if at last, when all the peaceful procedures, including voluntary arbitration, have been exhausted, one party then says, "I am bigger than the Government."

Employers and labor cannot have their economic cake and eat it too, when it comes to the matter of voluntary arbitration. So I have always stood for the proposition that a voluntary arbitration decision should be subject—and it is subject—to enforcement in the courts of this land if the arbitrator has stayed within his terms of reference. I therefore say to Mr. Steele, if the Hawaiian employers really believe in a rule of government by law, I have offered them the procedure which will give them all the protection of government by law.

I think they should hasten to accept it, because I would not want on my conscience, I would not want on my life's record, the wrong which I think the employers of Hawaii are committing against the people of Hawaii because of their adamant refusal to accept voluntary arbitration of the dispute.

I mean it when I say, Mr. President, I would not want to go to my Maker with such a record of causing such human suffering upon innocent people of which the employers of Hawaii, involved in this dispute, are guilty by their adamant refusal to arbitrate the dispute.

I am just as opposed as they are—sometimes I think more so—to the left-wing political philosophy of Harry Bridges. But why build him up as they are building him up? Why play into his hands as they are playing into his hands? Why do they not recognize that if they lay their case before Cy Ching there can be no denying the fact that it will receive handling on its merits? What more do they want? Do they really want to settle this strike on its merits? Will they be satisfied with nothing less than to have their way and their will prevail in the settlement of the dispute? Well, their conduct up to date indicates that that is their position.

Mr. JENNER. Mr. President, will the Senator yield so I may ask unanimous consent to take up the antilynching bill, which is Senate bill 91? I see there are no Democrats on the floor. This would be a good time to pass this part of the civil-rights program.

Mr. MORSE. I see the Senator from Arizona [Mr. HAYDEN] and several other Democrats entering the Chamber. I thought the Senator from Indiana was going to ask me a question.

Mr. President, I now proceed to discuss the next point I want to comment on in regard to the Steele letter. Mr. Steele quotes me as saying:

> Poor labor-management relations demonstrate a lack of stability.

What I did say in effect in my June 27 speech was that the cause of Hawaiian statehood was being set back, and that those who had been in favor of statehood were cooling off toward Hawaiian statehood. Then I said:

> Not only do employer-labor relationships in Hawaii today demonstrate such a lack of stability that there is grave doubt as to the right of Hawaii to statehood, but, in addition to the problems the Senator from Nebraska states in his report with respect to the type of leftism that it is alleged has come to characterize some of the labor movement in Hawaii, I think this dispute shows that the political philosophy which the employing class in Hawaii has demonstrated during this strike disqualifies Hawaii at the present moment for statehood.

That is what I said, Mr. President. I repeat it. Why, Mr. President, there is no doubt about the fact that there has been a great cooling off in this country in recent weeks in regard to the demands of Hawaii for statehood. There is no doubt about the fact that this dispute, and the tremendous class-conscious conflict that it seems to indicate exists in Hawaii, has caused many who were for Hawaii statehood not so long ago, to ask the question, "I wonder if Hawaii is ready for statehood now?" That is what I was trying to point out to the Hawaiian employers. As a friend of statehood in the past I was trying to get the Hawaiian employers and the workers and the public generally of Hawaii to recognize that a dispute of such major implications as this one could not go on in Hawaii without its having very definite effects on the plea of Hawaii for statehood. And now the law that Hawaii has passed satisfies me that certainly at this time the leaders of Hawaii are not fully aware of the great freedoms and guaranties to which workers are entitled under our form of government. In the face of that law, Mr. President, I, for one, could not vote for Hawaiian statehood today. I am satisfied I am far from being alone in that position.

The next point I would comment on in Mr. Steele's letter is that in referring to

my July 22 speech he accuses me of accusing the stevedoring companies of misrepresentation. Commenting upon Mr. Starr's radiogram to the committee, I said in the July 22 speech that Mr. Starr misrepresents the proposal of the committee with regard to the composition or size of the employer group that would participate in the negotiations suggested by the Senate committee. Obviously I had reference to the sentence in Mr. Starr's radiogram which reads as follows:

> It would be impossible for one individual to properly represent all the companies with respect to all outport problems, nor do we see how Mr. Bridges could be prepared to do so without the direct assistance and consultation with the members of the union negotiating committee.

I also said that Mr. Starr's statement to the effect that mediation must take place in Hawaii "in order to get the facts * * * is just a misrepresentation, and does not point out what really is in Mr. Starr's mind." I said, referring to what I though was in the mind of Mr. Starr and the Employers' Association, that the "real motivation is union breaking, not good-faith collective bargaining."

I repeat the charge. My reference to "misrepresentation" related to that part of Mr. Starr's radiogram which sought to give the impression that the Senate Committee on Labor and Public Welfare was calling upon the employers to send one man here to negotiate with Mr. Ching. To the contrary, the employers well knew that if they entered into the field of mediation with Mr. Ching and his group they would be entitled to send whatever committees they needed to present the employers' views on the various issues involved in the dispute. What Mr. Steele seeks to do, just as did Mr. Starr before him, is to take advantage of the public's lack of understanding of what is involved in the mediation of a dispute. Those of us who have worked in this field for years know that the common pattern for mediation is to have a series of committees appointed by the parties meet with the mediator, usually one committee devoted to each one of the issues involved in the dispute.

I remember back in 1941, in the Raleigh Hotel in Washington, when I served as mediator in the then threatened national railroad strike, I had six committees operating in six rooms in the hotel, composed of representatives of the carriers and of the brotherhoods, and I moved from committee room to committee room as we sought to make progress hour by hour and day by day and night by night on first one issue and then another. I might sit for 1 hour with one committee on one issue and the next hour or two sit with another committee on another issue.

Mr. Starr and Mr. Steele know that is the common practice of mediation. So when they seek to give the public the impression that we were proposing that the employers would have to send one person here to mediate with Mr. Ching, that was, I repeat, a misrepresentation on the part of those employers who are just as familiar with the pattern of mediation as is the junior Senator from Oregon.

Mr. Steele objects in his letter to a statement which he attributes to me, that the record of the employers has been one of rejection after rejection. He points out that the employers made certain offers—8 cents and 12 cents—but again, Mr. President, he distorts my July 22 speech. What I said in the July 22 speech was this:

> The employers' record, so far as proposals of the United States Conciliation Service for a peaceful settlement of this dispute are concerned, has been a record of rejection after rejection.

I repeat it this afternoon, Mr. President, because that is the record. They cannot get behind the record. When I was talking about employers' rejection after rejection I was talking about their rejection of the proposals of the Mediation and Conciliation Service. I know in detail what happened in the meetings between the United States Conciliation Service representatives and the Hawaiian employers and the union representatives. Mr. Steele cannot get by on the record with his deliberate distortion of what I said about the employers' rejection after rejection, because the language says specifically:

> The employers' record, so far as proposals of the United States Conciliation Service for a peaceful settlement of this dispute are concerned, has been a record of rejection after rejection.

Such happens to be true, Mr. President. I did not take the position that the employers made no proposals. All I said was that they rejected the Conciliation Service proposals for peaceful settlement.

In this connection, Appendix E, setting out the chronology of the dispute, attached to the report and recommendations of the Governor's Emergency Board, says that proposals for settlement made by the Conciliation Service were rejected, just as I pointed out in my July 22 speech. For example, on April 30, when the companies' offer of 12 cents was rejected by the union, the chronology states that the Conciliator proposed arbitration, which was rejected by the companies. Also on June 3, the Federal Conciliator proposed that the parties agree to accept a wage figure to be named by the Conciliator. This proposal was rejected by the companies as an arbitration proposal.

Mr. Steele says that I know that throughout this entire period the ILWU has never once in negotiations put on the bargaining table a figure below its original demand of 32 cents. I read the report of the governor's fact-finding board. I read it before I made my speech of July 22. In this connection, I noted the following statements on page 16 of the report of the governor's board:

> Extended mediation efforts continued up to April 30. The companies increased their offer from 8 cents to 12 cents just prior to the midnight deadline. The 12-cent offer was turned down by the union and the strike began on May 1, 1949. The union at no time set forth a specific figure other than 32 cents as a basis for settlement. The record shows that they offered to bargain within a range above the 12 cents and substantially below the 32 cents.

All I know is what the report of the governor's board says. It is true that subsequent to my speech, very clear statements have been made on the part of the union to the effect that it was willing to negotiate a sum under 32 cents. In fact, one cannot read the record which members of the committee made when Bridges was on the stand here in Washington without being perfectly satisfied that we pinned him to the mat, so to speak, on the question whether or not the union took the position that 32 cents was the only wage settlement the union would accept.

The very fact that the union agreed to the Conciliation Service proposal to arbitrate the case shows that early in this dispute they were willing to accept a figure less than 32 cents. It is beyond my imagination that anyone can believe for a moment that the union would be able to make a 32-cent proposal stick on the facts. I presume that there have been rare cases in which the parties to a dispute have fixed some figure by way of a demand and have been able thereafter to show by a preponderance of the evidence that that was the figure upon which the arbitrator should decide. I never happened to have been in such a dispute. I have heard about such disputes, but they are so rare that they are a matter of considerable discussion among arbitrators.

During the war when we had a great many cases involving wage demands I never happened to run across a single case in which the demand of the union was not a puffed-up demand, usually far in excess of what the union had any anticipation of getting or any right to expect. I have said to union leaders in many cases in formal hearings, "You do the cause of arbitration great harm when you make demands which cannot be substantiated on the record." We are still growing up in the field of peaceful procedures for the settlement of labor disputes. We still have too many labor leaders who seem to think that unless they ask for more than they have any right to expect, they are likely to get a decision from an arbitrator which will give them less than the facts support. They are dead wrong. It is a short-sighted procedure on the part of labor leaders. They make unnecessary work for the arbitrator, because, after all, their demand is a formal demand, and he has the duty of making a careful analysis to see whether or not there is any basis to support their demand. When they use such tactics they are guilty of using the arbitrator as a scapegoat before their own rank-and-file membership. I know what they do. They have an arbitration on wages, and the arbitrator takes the evidence and hands down his decision. It is less than what the union asked for. The union representatives go before their rank-and-file membership at a meeting and say, "Don't blame us. We certainly asked for more, but look at what that fellow did to us."

It is a "buck passing" technique which some labor union leaders use. When they use it they are guilty, in my judgment, of injuring good-faith peaceful procedures, such as voluntary arbitration is, for the settlement of labor disputes. I think this particular technique

on the part of such labor leaders is what has caused many persons to get the false notion that arbitration is a compromise procedure, because they know that the union demand—as in this case 32 cents—is more than the union has any right to demand, and that when the arbitration award comes down it will be less than the union demand. The public falsely assumes that the arbitrator picked some purely arbitrary figure out of the air. They fail to recognize that the record which the arbitrator has before him is a record of complex and complicated economic data, dealing with all the criteria which any fair arbitrator needs to check in determining the question of wages in any case. I have set out these criteria in a great many cases.

But so far as arbitration law is concerned, it is my recollection that probably the best job ever done in laying down a precedential case for the question of criteria which should be considered by an arbitrator in fixing wages was laid down during the First World War when the great William Howard Taft was one of the members of the War Labor Board. There are very definite wage criteria to be followed in arbitrating a wage case.

When labor leaders make exaggerated demands for wages, demands which they know they have no hope of being able to substantiate by way of the preponderance of the evidence, they do great injury to the arbitration process, and give the public the false impression that arbitration is not a judicial process, but that arbitration amounts to compromising and horse-trading procedure. Compromise is exactly what arbitration is not, although some persons would try to make it seem so.

So, Mr. President, I say the record is against Mr. Steele on this point, because the record shows that the procedure of the union in relation to the Conciliation and Mediation Service, in regard to its willingness to accept arbitration itself, was based on a recognition that 32 cents an hour was not a fixed figure below which it would not go if the strike was to end.

Then Mr. Steele says that I accepted the ILWU statement that the proposal for arbitration did not come from the union, but came from the Conciliation Service. I simply wish to say to Mr. Steele that I accepted the statement of a representative of the Conciliation Service before I ever made my July 22 speech. I am not saying that early in this case the union did not also ask for arbitration; but I say that exceedingly early in its negotiations in respect to this case the Conciliation Service did suggest arbitration and that represented the first formal request for arbitration in the case.

I wonder why Mr. Steele makes a point about the fact that the union, too—and very early—sought arbitration of the case, because Mr. Steele rejects the notion that the employers are a party to the propaganda that the proposal by the union to arbitrate this dispute is part and parcel of communistic tactics. Yet I think it is interesting that he sees fit to make a point of this in his letter to me of August 12.

Mr. Steele cannot smear me in my State with a charge of left-wingism, because the people of my State know that over the years I have fought for a system of voluntary arbitration for the settlement of labor disputes in a great many industries, and that over the years I have urged that the parties themselves should have sufficient good judgment to resort to arbitration in major disputes which threaten the welfare of a large segment of our people and of our economy. I have proposed it in a cross-section of American industry, and I fought for it as a member of the War Labor Board in case after case, proposing it during the war as the common-sense, horse-sense procedure for ending major disputes in wartime. I recommend it to the Hawaiian employers for ending the deadlock in Hawaii in a case that is bringing great suffering to more than half a million people.

Mr. President, at the time of our hearing before the Committee on Labor and Public Welfare, Mr. Blaisdell, representing the employers said, as shown on pages 90 and 91 of the hearings, in reply to questions put to him by the Senator from Ohio [Mr. TAFT]:

> I did not participate personally in the negotiations, so I cannot answer with exact certainty; but my recollection is that arbitration was pitched into the problem a substantial period of time prior to strike dead line and was reiterated, as is the custom, by the conciliators at the last moment prior to the strike dead line. That is the best of my recollection.

Mr. Bridges then took the stand—sitting side by side with Mr. Blaisdell—and stated that the Conciliation Service very early proposed arbitration. Thus, on page 212 of the transcript, a colloquy took place between Mr. Bridges and the Senator from Illinois [Mr. DOUGLAS], as follows:

> Mr. BRIDGES. First of all, on the demand for arbitration, the Federal Government ought to withdraw it first.
>
> Mr. DOUGLAS. Pardon me.
>
> Mr. BRIDGES. The proposal to arbitrate came from Mr. Ching. That is where it came from. Mr. Ching's representatives in the islands proposed to both parties that we continue to work and arbitrate, and we said we would, and the employers said they would not. When we talk about the union withdrawing its demand for arbitration, that presupposes that the union made the demand in the first place, when the facts of the matter are that the proposal to arbitrate was made by Mr. Ching's representative.

Mr. Blaisdell entered no denial. I was the one on the committee who moved and got permission to allow both Mr. Blaisdell and Mr. Bridges the opportunity to file rebuttal briefs in connection with any representations either made during the course of the hearing.

I do not want to labor what I think is after all a minor point as to when arbitration was first proposed. My own hunch is, as I have studied the case, that in some of the negotiations between the employers and the union, when they were not making any headway in breaking the deadlock, the union representatives in Hawaii made a suggestion that the difference be settled by arbitration. I base my hunch upon what looks like a pretty consistent picture painted by the so-called "Dear Uncle Joe" editorials of the Honolulu Advertiser, which I say in my judgment has functioned pretty much as an employer mouthpiece throughout the dispute, and the advertisements which were published in this country, many of which obviously sought to give the impression that part of the Communist left-wing pattern in the labor movement in the islands was to propose arbitration.

Subsequently, Mr. President, but not long after, the Conciliation Service was drawn into the dispute, and very early in its negotiations with the parties it formally suggested, as representatives of the Service have told me, that the parties settle it by arbitration. That is a very consistent pattern on the part of the Conciliation Service, because in a great many cases into which I have been drawn after the Conciliation Service has attempted to mediate a settlement and the parties have subsequently agreed to arbitrate a settlement, the record has shown, particularly in the maritime industry, that the Conciliation Service proposed the arbitration procedure. I do not know how many assignments I have taken to arbitrate cases which were based upon the recommendation of the Conciliation Service very early in the negotiation, that if the parties could not reach a good-faith collective-bargaining agreement, or could not accept suggestions of the Conciliation Service for mediation, they agree to arbitrate.

So I was not surprised when I talked to the Conciliation Service representatives, prior to my July 22 speech, to which Mr. Steele takes exception. I was told then that the Conciliation Service offered or suggested arbitration very early in the history of this case. Why? Because they recognized the great seriousness of the case and the great injury which was going to be done to innocent persons if there was not an early settlement of it.

I am very happy to stand on my record of suggestions for the settlement of the Hawaiian dispute, including my cosponsorship of the Knowland bill. I want to say I think the Senator from California [Mr. KNOWLAND] has made the best and soundest proposal yet made for the orderly and peaceful settlement of the dispute. I wonder whether Mr. Steele thinks either the Senator from California [Mr. KNOWLAND], the Senator from Washington [Mr. CAIN], the Senator from California [Mr. DOWNEY], or the Senator from New York [Mr. IVES] is susceptible to ILWU influence.

Another objection to my July 22 speech that Mr. Steele makes is, he denies my statement that Hawaiian employers put pressure on the west coast employers to accept arbitration as a means of settling the west coast strike last fall. In my July 22 speech I said:

> Employer friends of mine in San Francisco have notified me since our hearing the other day that some of these same employer groups in Hawaii put tremendous pressure upon the west coast employers last fall to settle that dispute and accept the arbitration provision because of the economic effect of the dispute on Hawaii.

I do not see how Mr. Steele can take issue with that statement, since all I advised the Senate was in regard to what

west coast employers and newspapermen had told me. I repeat it this afternoon. I not only repeat what I said in my July 22 speech, but I say that, since receiving Mr. Steele's letter of August 12, I have again checked up among some of my business friends on the west coast who were very much interested in the settlement of the west coast longshoremen's dispute last fall. They just snort, Mr. President—just snort over Mr. Steele's suggestion that west coast interests did not have plenty of pressure put on them by Hawaiian interests to get the west coast strike settled. The Hawaiian employer group did put on the pressure, Mr. President. Steele knows it, and when he denies it in his letter to me I think he deliberately and knowingly falsifies.

Mr. President, Mr. Steele's letter to me closely follows an interesting July 26 broadcast of a radio commentator by the name of Bob Shields over Station KHON. The broadcast was sponsored by the Hawaiian chambers of commerce, It is a broadcast very critical of me. But I have had chambers of commerce, even including the United States Chamber of Commerce, critical of me in the past, because when I thought they had been wrong on some issue I dared say so. With equal fairness I have commended them when I thought they took a stand on an issue in the public interest. So it is nothing new to me, Mr. President, to be criticized by chambers of commerce, although as far as I know this is the first time the Hawaiian chambers of commerce have criticized me. Their spokesman in this instance followed a very typical chamber-of-commerce propaganda pattern.

In that broadcast Shields said I had denounced the company's record of rejection after rejection, and he charged that I was either uninformed or had deliberately refused to recognize the 8-cent offer and the 12-cent offer and the company's acceptance of the 14-cent recommendation of the Governor's board. His broadcast was almost in the same language on this point as Mr. Steele's letter to me. I leave it to the reader as to whether there was any connection between the misinformation of Mr. Shields' broadcast and the misrepresentation of my position as set out in Mr. Steele's letter.

Then Mr. Shields, in his broadcast in behalf of the Hawaiian chambers of commerce, dug up an old one, Mr. President. He said I was the same man who was willing during the first trial of Harry Bridges to go on the witness stand to testify as a character witness for Harry Bridges. Mr. President, that brings back with vivid memories the smear campaign which was conducted against me in my 1944 campaign. The people of Oregon in 1944 answered that smear when they got the facts. I want to say to the Hawaiian chambers of commerce that their spokesman, Mr. Shields, will be no more successful in a repetition of that smear than were my enemies in 1944. Court records speak for themselves, and the court records show that in both of the deportation cases of Bridges I was subpenaed because I refused to testify voluntarily. The court records show something else. They show that under the law, and rightly ruled both by Dean Landis and Judge Sears, my testimony necessarily had to be limited to Bridges' conduct before me in the courtroom because I refused to appear in any capacity other than my capacity as arbitrator under the longshoreman's contract. The court record shows very clearly, Mr. President, that the questions were limited to Bridges' conduct in my courtroom and that any attempt on the part of either Government or defense counsel to get beyond his conduct in my courtroom was, on objection, sustained by the court. But an interesting thing happened in the Sears hearing. Under cross-examination by Government counsel, when objections had been raised and sustained to a series of questions as to whether I thought Harry Bridges was a Communist, the court refused to permit me to express myself on that question. Government counsel then under cross-examination, asked me if I was a Communist. My answer to that question is in the record, Mr. President, under oath, as to what I think of communism and everything for which it stands. When Government counsel sought to stop me in that testimony, Judge Sears ruled, and rightly, and I quote him, in effect, that—

> The witness is on the stand under cross-examination. You asked him the question. The witness has the right to answer it in his own way.

And, believe me, I did, Mr. President. That was long before I ever thought of running for office. But as an arbitrator and as dean of a law school at the time, I made perfectly clear my uncompromising opposition to everything for which communism stands. This attempt to smear me again, through a spokesman of the Hawaiian Chamber of Commerce, or through the innuendos of Mr. Steele's letter, will be resented, and rightly so, by thousands of my friends in the State of Oregon.

Mr. President, if there is any Member of the Senate of the United States, since I have been in the Senate, who has ever been more firm and unequivocal, both by speech and vote in the Senate, against communism, I am perfectly willing to have him named. I do not take second place to any Member of the Senate of the United States in that regard. I claim no more devotion to our form of government than do other patriots in the Senate, but I will not take second place to any Member of the Senate in my uncompromising, unflinching, unequivocal opposition to the communistic doctrine and philosophy of totalitarianism, and Stalinism.

I think it is unfortunate that simply because I have been pleading for voluntary arbitration of the Hawaiian dispute there are those assassins of character in Hawaii who would seek to impute to me sympathy for Bridges' left-wingism and communistic fellow-traveling philosophy, simply because I have joined with the Senators from California, the Senator from Washington [Mr. CAIN], and the Senator from New York [Mr. IVES] in a proposal under the Knowland bill which would, in effect, if the bill had been passed, have submitted the Hawaiian dispute to arbitration.

Mr. President, the last point I wish to make is in regard to the present status of this dispute. After all, personal differences between the junior Senator from Oregon and Mr. Steele, president of the Hawaii Employers' Council, will pass, but the important question remains—How are we going to settle that dispute? Are we going to settle it, Mr. President, by the sweeping provisions of the law passed by the Hawaiian Legislature?

Note, Mr. President, section 5 of that law makes it unlawful during government operation for any person to engage in a strike or to aid or encourage any strike, even to the extent of contributing funds for the payment of unemployment or other benefits to persons participating therein. Such activity is subject to injunction proceeding.

If there should be put to me the clear legal proposition, "Do Government employees have the right to strike?" my answer would be a clear unequivocal "No." I so held in the New York Transit case, during the war, which case, at least up until this time, has been followed in a series of decisions. But, Mr. President, the mistake which the Hawaiian Legislature has made is that it is stepping into a field of private enterprise, taking over the managerial rights of employers and the inherent rights of freedom of the workers, and then seeking to use that law for promoting a type of compulsion which is so far more drastic in its connotation than is any proposal for arbitration in the Knowland bill, that I understand even some employer forces in Hawaii itself are now becoming greatly alarmed about the effects of the legislation on future labor and other economic relations in Hawaii.

So I say this afternoon, Mr. President, that the Governor of Hawaii and his legislature went unnecessarily far in their attempt to end the strike by legislation, because they have gone on record in support of governmental regimentation of a segment of their economy, which I think all lovers of the private-enterprise system should fear.

I wonder if the failure up to this hour to put into complete effect the Hawaiian law does not reflect a second thought of go slow hesitancy on the part of the leaders of Hawaii. I hope it does. I wonder now if the leaders of Hawaii, especially in view of the opposition the law is creating among shipping interests—and I am talking about employer interests on the mainland—are not hoping that the employees and workers involved in the Hawaiian dock dispute will take advantage of the suggestion that has been made that the entire dispute be submitted in Washington to Cyrus Ching and his able staff.

I close my speech this afternoon, Mr. President, by saying to Mr. Steele that, irrespective of what our personal differences may be, I welcome his joining hands with me in urging again upon the employers and workers involved in the dispute that they submit it to a man who I think is one of the greatest industrial statesmen of our time, the head of our Federal Conciliation Service, and let him lead them, as I know he will, down the paths of reason and common-sense peaceful procedures for the settlement

of this dispute, through mediation if possible, through voluntary arbitration if necessary. Every member of the Hawaiian employer group, including Mr. Steele, and every member of the workers' committee, including Mr. Bridges, I think owes that obligation to the people of Hawaii.

Mr. President, let us have no more in the Hawaiian dispute of this jockeying for economic position while half a million people suffer. Let us recognize on the part of all concerned that the avenue toward peaceful procedure for the settlement of disputes leads straight to Washington, D. C., and to the office of Cyrus Ching. Let the patriotism of those involved in the dispute be tested now by a manifestation of their willingness to come to Washington and lay the case in Mr. Ching's hands.

RECESS

Mr. HAYDEN. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow, Tuesday.

The motion was agreed to; and (at 7 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 23, 1949, at 12 o'clock meridian.

# HOUSE OF REPRESENTATIVES

## MONDAY, AUGUST 22, 1949

The House met at 12 o'clock noon.

Rev. Frank B. Burress, pastor, Fountain Memorial Baptist Church, Washington, D. C., offered the following prayer:

Heavenly Father, we pause to give thanks for Thy manifold blessings to us and to acknowledge Thee, that there is none beside Thee. Thou hast exhorted us in Holy Scripture, "If any man lack wisdom let him ask of God." We come claiming that promise this day for those who have been honored and are charged with the responsibility of the affairs of state. Help us in our personal and business affairs, in the words of the Saviour, "to be wise as serpents and as harmless as doves." May we realize that every word and deed will be rendered accountable unto Thee, and that this day is no exception. Therefore, we pray, O God, that we may be directed of Thee so that the doings of today shall be acceptable in Thy sight. We pray it with forgiveness of our sins in the blessed name of the Prince of Peace, Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 19, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 259. An act to discontinue divisions of the court in the district of Kansas; and

S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old).

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 50-6.

CIVIL FUNCTIONS APPROPRIATIONS BILL, 1950

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that my resolution which would be in order today be carried over until tomorrow, and that I be permitted to amend it and insert certain provisions that were omitted.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include the provisions that were omitted.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN moves that the managers on the part of the House, who were appointed by the Speaker for a conference with the Senate on H. R. 3734 be, and they are hereby, instructed to agree to and accept the following amendments as compromise amendments of the various amendments involved in said conference:

*Rivers and harbors*

| Projects | Amount to which House conferees are instructed to agree |
|---|---|
| CONSTRUCTION | |
| Alabama: | |
| Tennessee Tombigbee waterway | $625,000 |
| Demopolis lock and dam, Warrior system | 1,000,000 |
| Alaska: | |
| Nome Harbor | 701,000 |
| Wrangell Narrows | 343,000 |
| Arkansas: | |
| Arkansas River and tributaries: | |
| Bank stabilization, Little Rock to mouth | 600,000 |
| Bank stabilization below Dardanelle | 500,000 |
| Morrilton cut-off | 250,000 |
| California: | |
| Crescent City Harbor | 481,000 |
| Monterey Harbor | 45,520 |
| Sacramento River | 1,700,000 |
| San Diego River and Mission Bay | 2,200,000 |
| Connecticut: | |
| Mianus River (Cos Cob Harbor) | 79,500 |
| New Haven Harbor | 250,000 |
| Pawcatuck River, R. I. and Conn | 68,500 |
| Delaware: | |
| Harbor of refuge, Delaware Bay | 120,000 |
| Indian River Inlet and Bay | 320,000 |
| District of Columbia: Potomac River, north side of Washington Channel | 375,000 |
| Florida: | |
| Intracoastal Waterway, tributary channels: | |
| Okeechobee-cross Florida waterway | 300,000 |
| Jim Woodruff lock and dam, Apalachicola River | 7,500,000 |
| St. Andrew Bay | 125,000 |
| St. Johns River, Jacksonville to ocean | 900,000 |
| Tampa Harbor | 500,000 |
| Georgia: | |
| Buford Dam | 750,000 |
| Savannah Harbor | 450,000 |

*Rivers and harbors*—Continued

| Projects | Amount to which House conferees are instructed to agree |
|---|---|
| CONSTRUCTION—continued | |
| Illinois: | |
| Illinois waterway: Mouth to mile 291 | $250,000 |
| Mississippi River between Ohio and Missouri Rivers: | |
| Chain of Rocks | 9,000,000 |
| Regulating works | 750,000 |
| Mississippi River between Missouri River and Minneapolis (exclusive of St. Anthony Falls) | 750,000 |
| Iowa: | |
| Missouri River, Kansas City, Mo., to Sioux City, Iowa | 2,500,000 |
| Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.) | |
| Kentucky: | |
| Cumberland River, Ky. and Tenn.: Cheatham lock and dam | 1,400,000 |
| Ohio River, Ky., W. Va., and Ohio, open channel work | 250,000 |
| Louisiana: | |
| Calcasieu River and Pass | 900,000 |
| Intracoastal Waterway, Apalachee Bay, Fla., to Mexican border (New Orleans district) | 2,500,000 |
| Pearl River, La. and Miss | 1,250,000 |
| Waterway from Empire to Gulf of Mexico | 500,000 |
| Maine: | |
| Cape Porpoise Harbor | 45,500 |
| Josias River | 33,500 |
| Portland Harbor | 206,000 |
| Maryland: | |
| Baltimore Harbor and channels | 650,000 |
| Chester River | 16,400 |
| Honga River and Tar Bay | 42,000 |
| Massachusetts: | |
| Boston Harbor | 400,000 |
| Fall River Harbor | 800,000 |
| Menemsha Creek, Martha's Vineyard | 72,700 |
| Michigan: | |
| Port Sanilac Harbor | 360,000 |
| St. Marys River: | |
| Power plant | 1,700,000 |
| Navigation features | 1,000,000 |
| Traverse City Harbor | 325,000 |
| Minnesota: | |
| Baudette Harbor | 24,500 |
| Hastings, small-boat harbor at | 34,270 |
| Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.) | |
| St. Anthony Falls | 1,717,000 |
| Two Harbors (Agate Bay) | 1,000,000 |
| Mississippi: | |
| Pearl River, Miss. and La. (See same project under Louisiana.) | |
| Gulfport Harbor and Ship Island Pass | 496,000 |
| Missouri: | |
| Missouri River, Kansas City to the mouth | 2,250,000 |
| Mississippi River between Ohio and Missouri Rivers. (See same project under Illinois.) | |
| Mississippi River between Missouri River and Minneapolis. (See same project under Illinois.) | |
| Missouri River, Kansas City to Sioux City. (See same project under Iowa.) | |
| Montana: Missouri River at Fort Peck | 2,500,000 |
| Nebraska: Missouri River, Kansas City to Sioux City. (See same project under Iowa.) | |
| New Jersey: | |
| Newark Bay, Hackensack and Passaic Rivers | 800,000 |
| New York and New Jersey channels | 1,260,000 |
| Shark River | 150,000 |
| New York: | |
| Buffalo Harbor | 550,000 |
| Dunkirk Harbor | 350,000 |
| Great Kills Harbor | 114,500 |
| Hudson River | 100,000 |
| Hudson River Channel | 400,000 |
| New York Harbor, entrance channels and anchorage areas | 412,000 |
| New York and New Jersey channels. (See same project under New Jersey.) | |
| North Carolina: Stumpy Point Channel | 32,500 |
| Ohio: | |
| Cleveland Harbor | 1,500,000 |
| Ohio River open channel work. (See same project under Kentucky.) | |
| Oregon: | |
| Columbia River at Bonneville | 1,250,000 |
| Columbia and lower Willamette Rivers below Vancouver, Wash., and Portland, Oreg | 150,000 |
| Coos Bay | 850,000 |
| Depoe Bay | 400,000 |